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More on Soviet Society

- FREDERICK SCHUMAN
- J. MORRIS & H. LEWIN
- ROSS GANDY
- PAUL M. SWEEZY

Inflation, Unemployment, and Monopoly Capital

HOWARD SHERMAN

Wage-Push and Working-Class Power

RAFORD BODDY & JAMES CROTTY

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NOTES FROM THE EDITORS

The international revolutionary movement lost one of its greatest figures with the death last month of Paul Robeson. Athlete, artist, champion of proletarian internationalism, fighter for black liberation, Paul Robeson excelled in whatever he undertook. MR's editors had the privilege of knowing him well in the early years of the magazine's existence and remember with pleasure more than one stimulating evening of political discussion and debate at the home of mutual friends. He was of course a special target of McCarthyism, and the anti-Communist hysteria which set in after the Russian Revolution of 1917 and prevailed with only minor let-ups during his whole active adult life prevented his true greatness from being understood by more than a small minority of his compatriots. We are confident, however, that the time

(*Continued on inside back cover*)

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MORE ON THE NATURE OF SOVIET SOCIETY

The November 1974 and January 1975 issues of MONTHLY REVIEW carried under the title "The Nature of Soviet Society" a two-part review-article by Paul M. Sweezy on Charles Bettelheim's *Les Luttes de Classes en URSS: Première Période, 1917-1923.* We print below three of the commentaries which we have received, along with a reply by the author.—The Editors

I. By Frederick L. Schuman

I am troubled by Paul Sweezy's review of Bettelheim's *Les Luttes de Classes en URSS.* I have not seen the book, but I have puzzled over the generous excerpts from the Foreword and the enthusiastic commentary.

This seems to me, alas, a prime example of semantic confusion, reminiscent of Humpty Dumpty to Alice: "When I use a word it means just what I choose it to mean—neither more nor less." If "socialism" is defined as good, then anything defined as bad is not socialism. To almost everyone save Sweezy and Bettelheim, Soviet society, whether good or bad, is a socialist society. In the course of its creation there were mistakes, tragedies, cruelties, and atrocities. So it was

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also in the building of capitalism, feudalism, oriental despotisms, and the slave economies of ancient days.

Soviet society, like every civilized society that ever existed, has a bureaucracy and an "establishment" of power-holders and policy-makers. This may be called, depending on taste, a "Vocation of Leadership" (the Webbs in the 1930s), an oligarchy, an elite, a technocracy, a vanguard, a collective tyranny, a managerial minority, or what have you. But to call it a "class" (with Milovan Djilas) or a "state bourgeoisie" (Bettelheim) or a "ruling class" or an "exploiting class" is, I fear, to do violence to language.

All dominant classes in all civilizations have usually been endogamous hereditary castes and have always owned private property in the means of production and managed enterprises for private profit. This is not the case with those enjoying power and privilege in the USSR. As in all societies, there are sundry inequities and injustices. But the mass of Soviet citizens enjoy free (i.e., socialized) education to the highest levels; dental, medical, and hospital care; leisure and many forms of recreation; low-cost housing; and steadily rising living standards—all with no unemployment, inflation, or recession. Who then is "exploited"?

As for Marxism, it has come to mean whatever Marxists choose it to mean. As with all devoutly held doctrines, schisms and quarrels among true believers are chronic. Marx himself, disgusted with the dogmatism of some of his disciples, is alleged to have said on one occasion: "Thank God, I at least am not a Marxist!" Such dissensions at best foster scholastic hair-splitting and at worst lead to bloody crusades against infidels and monstrous persecutions of heretics. To say of any group of Marxists, as they often say of one another, that they have distorted or abandoned or betrayed Marxism and socialism is to indulge in verbal quibbling, full of sound and fury, signifying nothing.

This phenomenon is due in part to a *leitmotif* of our glorious and tragic century: the triumph in hearts and minds everywhere of the ideology of nationalism, aptly termed by Toynbee "a false and maleficent religion," and the repudiation of all forms of internationalism, bourgeois and proletarian

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alike. This, and only this, is the common denominator of Titoism, Maoism, Polish and East German rebellions, the Hungarian revolution and its suppression, the Soviet-Chinese conflict—and, elsewhere, the Balkanization of Africa, terrorism, hijacking, and recurrent fighting over Ulster, Cyprus, Kashmir, Bangladesh, Suez, Sinai, etc. To interpret these patterns of behavior in terms of class structures or misinterpretations of other ideologies is a verbal exercise in futility.

I note that Bettelheim's "point of departure" was the Soviet occupation of Czechoslovakia, which I also deplored, and that he (and Sweezy) attributes Soviet "imperialism" and "militarism" to unreformed class relations and unresolved class conflicts. This is not so. Every state system of rival sovereignties, regardless of economic base, level of technology, or class structure, breeds power politics, which has nothing to do with "capitalism" or "socialism." Given the universal (albeit normally unconscious) drives of human beings toward murder and suicide, power politics—possessed of a dynamism all its own—breeds hideous violence because, as Nietzsche pointed out long before Freud, war enables humans to commit murder and suicide with a good conscience. Power politics is the offspring of international anarchy, for which the only ultimate cure is world government. Wilson and FDR, Marx and Lenin, had visions of One World rationally governed by a humanity at peace with itself. All the visions faded and vanished in the ugly glare of fanatical and ethnocentric nationalism.

The practitioners of power politics, always skilled in chicanery, intrigue, prevarication, and genocide, are sometimes successful, e.g., Alexander, Caesar, the early Caliphs of Baghdad, Genghis Khan, the early Ottoman Sultans, Frederick the Great, Polk in 1846, Bismarck, McKinley in 1898 and, often, the Papacy. Sometimes, despite proficiency in dispensing force, fraud, and favors, they invite disaster, e.g., Hannibal, the last of the Western Roman Emperors, Louis XIV, Madison in 1812, the Kaiser, Mussolini, Tojo, Napoleon and Hitler in their invasions of Russia, Kennedy and Johnson in the Bay of Pigs and the Vietnam War. In this dangerous game of chance, future consequences of present decisions cannot always be

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foreseen. I denounced in public print the Soviet attack on Finland in 1939. Yet it is self-evident that, had the Red Army not smashed the Mannerheim Line in the "Winter War," the Nazi *Wehrmacht* and its Finnish allies would have taken Leningrad in 1941-1942.

I would respectfully suggest that semantic befuddlement can be minimized by a careful re-reading of Herodotus and Thucydides, Machiavelli and Mahan, and, yes, even Marx and Engels. Yours for clarity—and charity.

II. By Jacob Morris and Haskell Lewin

The intermediate discussions among people of the left, at any rate among the Old Leftists, about the nature of Soviet society (briefly and crudely, whether it is capitalist or socialist) seem to us to be vitiated by a paucity of appropriate categories and concepts and by the abuse of the few definite categories and concepts which we do have available for analytic work.

To begin with, the formal logical opposite of capitalism is non-capitalism; it is not socialism. There were many specific historically developed social production forms (and multi-form amalgams) in the general category of pre-capitalist non-capitalism; it is conceivable that history will produce no small number of specific social production forms (or amalgams of forms) in the general category of post-capitalist non-capitalism. When Marx spoke about "socialism" he made it clear that he had in mind just that one particular post-capitalist collectivist social production form which would be dialectically generated by a qualitative leap from the diseased body of a *highly developed industrial capitalist system* which had become critically ill. It is significant that he was very reluctant to predict the specific structural characteristics of this anticipated new form despite its very specific genetic origin. He said that it wasn't his job to prepare recipes for the cook-shops of the future.

Jacob Morris is a frequent contributor to MR, most recently with his article "The Weird World of International Money" in the November 1975 issue. The late Haskell Lewin was a psychiatrist, practicing in New York City.

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Marx also considered to some extent the question of the generation of new social production forms as a result of the transformation of existing forms outside the narrow category of highly developed industrial capitalism. Thus he specifically considered the possibility that in Russia a unique form of collectivism or socialism might be forged in the fires of a revolutionary transformation of the Tsarist social system. This system was a complex amalgam of capitalist, serf, primitive communist, family self-subsistence and simple commodity production elements, all integrated in an overall social and political framework suggestive of the ill-defined "Asiatic mode of production."

Somewhere in his writings, Marx observed that the dissolution of different forms of primitive communal property generated different forms of primitive private property. This amounts to saying that the dissolution of different forms of primitive communism generated different types of labor bondage in the various forms of primitive class society. If we apply the "negation of the negation" formula, it suggests that the break-up of the different forms and patterns of modern class society will generate different forms and patterns of modern collectivism.

By a modern collectivist form we mean one in which public ownership and control of the means of production have replaced private ownership and control and where there exists a managerial apparatus to direct the use of the means of production in the public interest. This definition, however, tells us nothing about the democratic responsiveness of this managerial apparatus to the will of the people. At one extreme we may have a self-perpetuating, highly centralized, top managerial group, e.g., the Presidium of the Central Committee of the Soviet Communist Party (CPUSSR), which is completely free of any form of democratic popular control. At the other extreme we may have decentralized management units controlled by popular mass meetings of the New England town-meeting type. It is conceivable that we could have a centralized management group whose members would be as easy to replace by popular demand as, say, the members of the Oregon state legislature. Our point is that one of the

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most important criteria of differentiation of modern collectivist forms is the character and degree of popular democratic control of the managerial apparatus which supposedly directs the use of the means of production in the public interest. It seems to us that, according to the principles of historical materialism, this differentiation of collectivist forms will reflect the differences in their class-society parentage and specific modes of revolutionary origin.

This leads us to the observation that Marx, like Einstein, actually projected two theories, a Special Theory and a General Theory. The first is the theory of capitalist development while the second is the theory of historical materialism. The relation of the two theories is that the special theory of capitalist development is a special case of the general theory of historical materialism. In our judgment the Russian problem referred to above falls largely outside the scope of the special theory; it is a problem which falls largely within the scope of the general theory.

So does the problem of the nature of Soviet society. However, Sweezy and Bettelheim are attempting an analysis of this problem armed only with the categories and concepts derived from Marx's special theory of capitalist development. And, as a result, they are forced to distort and misapply those categories. This is inevitable because the scope of the problem extends far beyond the analytic reach of Marx's special theory.

It would be a very clarifying thing if we could agree to attach the label "Marx's socialism" only to one particular *idealized* form of post-capitalist collectivism. It should be reserved for the theoretical solution, in the dialectical *aufhebung* sense, to the social and economic problems arising out of the contradictions of the specific highly developed capitalist form which is the subject of Marx's special theory of capitalist development. We can then, without pejorative intent, apply the specific labels: "Soviet collectivist form," "Chinese collectivist form," "Cuban collectivist form," etc., to these specific existing forms which are all in the general category of post-capitalist non-capitalism. We can then proceed to compare these concrete existential collectivist forms with the *idealized* form which we have labeled "Marx's socialism."

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If we proceed along these lines we shall hardly be able to avoid the following additional important questions, among others:

(1) Is "Marx's socialism" after all just another form of utopian socialism? Is not "Marx's socialism" postulated in part on the unrealistic assumption that its capitalist progenitor would have developed labor productivity to such an extent that the value of commodities would have reached the vanishing point?

(2) Does "Marx's socialism" furnish appropriate standards for judging the progress of such concrete forms as Soviet collectivism?

(3) Since Marx's special theory was built up in a context of pre-monopoly capitalism, and his concept of socialism derives from that context, can one reasonably argue that "Marx's socialism" is an acceptable dialectical solution to the contradictions of state monopoly capitalism?

Despite Marx's wise reluctance to write prescriptions for his socialist vision, a reasonable exegesis of his writings does lead to a more or less definite pattern for this vision involving at least the following features:

(1) Genesis in the revolutionary transformation of the crisis-ridden multinational capitalist society.

(2) Transition to collective social production under the discipline of the dictatorship of the proletariat. (Note that if the transition is largely completed during the state monopoly capitalist stage, a stage not included in Marx's special theory, the need for a dictatorship of the proletariat is thrown into question.)

(3) Transformation of alienated wage labor into non-alienated co-operative labor as workers' control of production planning and detailed work methods and processes is widened and deepened.

(4) Political and economic integration of all nations.

(5) Withering away of all national state powers and their replacement by democratic workers' control organisms.

(6) Transition to the communist principle of social distribution with increasing emphasis on moral as opposed to material incentives.

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With the above comments as background, it is easier to see how Sweezy and Bettelheim have stretched the categories derived from Marx's special theory in what seems to us an unacceptable way. According to their logic, as we analyze it, the exploitation of workers and peasants in the Soviet Union must be class exploitation because that is the only kind of exploitation discussed in Marx's special theory. The oligarchic managerial groups in party and government who are the exploiters of the people in the Soviet Union must therefore be an exploiting class. Since the only exploiting class in Marx's special theory is the capitalist class, the Soviet managerial groups must be a capitalist class even though they lack proprietary ownership of the means of production. It then follows that the Soviet system must be a capitalist system. It seems to us that what we have here is the use of "capitalism" as a pejorative word and its abandonment as a precise scientific category as defined by Marx.

If we escape from the limits of Marx's special theory and broaden our view to take in the operation of historical production systems other than the capitalist system, it is not difficult to discover many other forms of exploitation besides class exploitation. For example, the priestly castes of ancient Egypt were among the chief engineers and beneficiaries of the exploitation of the Egyptian peasantry. But their exploitative power was not based on any form of ownership or control of the means of production, so that they were not a class in the strict Marxist sense. Their exploitative power was based on their ownership and control of the gods, i.e., on their control of the minds of the people. For it was believed that their intercession with the gods was necessary to cause the Nile to flood at the proper season of the year. Similarly, most people in the Soviet Union have been brainwashed to believe that their social system would collapse without the managerial direction of the CPUSSR, inspired by the esoteric Marxist knowledge of the high priests of the Presidium.

Incidentally we don't have to go to ancient Egypt or modern Russia to find examples of managerial exploitation. In the United States there are today literally thousands of nonprofit organizations, in which self-perpetuating managerial

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groups have no proprietary interest whatsoever but manage above all to do very well for themselves. We refer here to such organizations as producers' co-operatives, mutual savings banks, mutual life insurance companies, labor unions, non-profit hospital corporations, and many, many others. To be sure, here and there we find management people of high principle who unselfishly labor for the welfare of their organizations and fight off all temptations to exploit employees, members, and clients. These are exceptions which suggest, however, that there would be a lot more like them if managers were subject to some healthy rank-and-file democratic controls.

Every worker and peasant in the Soviet Union knows that the party and government big shots employ their oligarchic monopoly of power to feather their nests at the expense of the people. At the same time, Soviet people bitterly resent any characterization of the Soviet Union as a capitalist society and condemn those who make that judgment as insane or as lackeys of international capitalism. It is quite another thing to describe the Soviet Union as a special form of post-capitalist collectivist society which is grievously burdened with an oligarchic managerial exploitation (much more reminiscent of Tsarism than of capitalism) and which departs widely from the ideals of Marx's socialism. Such a characterization would, we think, strike a most responsive chord in the hearts of the Soviet workers. Indeed we believe that the contradiction between the Tsarist-fathered oligarchic collectivism of Soviet life and the democratic ideals of Marx's socialism is one of the main contradictions of Soviet society.

This contradiction explains why the Soviet oligarchs fear a socialist revolution in any of the advanced capitalist countries of the West, and it explains their suppression of the Czechoslovak "spring" revolution of 1968. For a Western socialist revolution would undoubtedly raise high the banners of its own democratic socialist vision, and this would help generate very dangerous thoughts in the minds of the Soviet workers and peasants. How close this Western socialist vision would be to the theoretical conception which we have called Marx's socialism we cannot tell. The democratic experience, tradi-

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tions, values, and spirit of the workers of Western capitalism, particularly of the rank-and-file workers, suggest to us that it would be very close.

We might observe, at this point, that it is much easier to talk about applying Marx's general theory than to do it. This theory is still largely a project for future development. In particular, neither Marx, nor Engels, nor Lenin tested it out on one of the most profound problems of human history, that of the nature of the so-called Asiatic mode of production. In the Soviet Union, this embarrassing problem, which strikes so close to home, has been officially abolished; it has become a non-problem. In a way Sweezy and Bettelheim are accepting the Soviet position. By trying to analyze Soviet society using only the analytic tools derived from Marx's special theory, they are steering clear of the dangerous area of the general theory and one of its chief unsolved problems, that of the Asiatic mode of production. But by proceeding in this narrow way they are setting themselves up for an easy knockout by the hired prizefighters of Soviet Marxism.

In closing, we would like to make clear that we have no very great objections to stretching categories modestly and calling the managerial oligarchs of the Soviet Union a class, or an exploiting class. Our real objection is to calling them a *capitalist* class and the Soviet Union a *capitalist* society. For this implies that a rebirth of private property in the means of production is in the making or has already taken place. To suggest that this is so is to denigrate atrociously the historic achievements of the October Revolution and the capacity and determination of the Soviet people to protect the collectivist basis of their social existence. It is precisely because the Soviet people have been brainwashed to believe that their particular type of managerial superstructure is needed to protect their collectivist base that they put up with the power monopoly and the gross corruption and exploitation of their managerial oligarchs.

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III. By Ross Gandy

In his review-articles on "The Nature of Soviet Society," Paul Sweezy discusses the definition of "class" that Marxists should use in analyzing the bureaucratically planned societies of Eastern Europe. To recall what the debate is about: Trotskyists say that the bureaucracy ruling the Soviet Union is a caste or a social stratum; the Soviets call it an intelligentsia. Both these groups of Marxists assure us that the bureaucracy is not a class. It is not a class, they say, because it does not legally own land and the factories. And doesn't everyone know that Marx and Engels defined the ruling class as the social group that owns the means of production? Since the Soviet bureaucracy does not legally own the means of production, Marxists are supposed to deny that it is a ruling *class.*

Sweezy argues (correctly) that this is a misreading of Marx and Engels, for they were concerned with the *real* relations of production, whatever the legal forms might be. If the Soviet bureaucracy has the land and the factories *in fact,* then it is a ruling class.

This class, I think, might someday succeed in sanctioning by law its *de facto* ownership of the means of production, might legalize the new social relations. When a new social order arises, says Marx, it may exist for a long time before becoming stable—and explicitly defined by law. "The constant reproduction of the basis of the existing order and its fundamental relations assumes a regulated and orderly form in the course of time. . . . If this has continued on for some time, it entrenches itself as custom and tradition and is finally sanctioned as an explicit law." (25: 801, 802)*

From 1917 to 1953 the Soviet Union passed through its unstable period: revolution, civil war, encirclement, industrialization, world war, and reconstruction. This stormy transition period has given way to calm, and the constant reproduction of the existing order and its fundamental relations is assuming

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* Quotations in parentheses are volume and page number from the *Marx-Engels Werke* (Berlin: Dietz Verlag).

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a regulated and orderly form. What we should call this system of social relations is an open question. But whatever it is, and whatever legal forms it finally creates, the Soviet Union has probably arrived at where it was going—it is no longer a transitional society.

Against many Marxists, Sweezy argues that we must consider the Soviet bureaucracy a class. In this debate the founders of Marxism would probably side with Sweezy, for they never denied that a bureaucracy can become the ruling class. And I think they would use the word "class" for the Soviet bureaucracy today. Let us consider their use of the concept "bureaucracy."

Marx and Engels laid the foundations of radical sociology in the middle of the nineteenth century. In that century governments were small. The governments of our own time, supporting vast bureaucracies for health, education, welfare, and war—these governments had not yet appeared. Marx and Engels did not face giant bureaucracies on every hand.

But in the 1840s there was one country in which the bureaucracy already dominated national life: Germany. In Germany, wrote Marx and Engels, *both the aristocracy and the bourgeoisie were too weak to rule.* "The necessary result," they said, "was that the special sphere, which because of the division of labor became the administration of public affairs, acquired an abnormal independence: this was further developed in the modern bureaucracy." (3:178) Engels spoke of "the emergence of a special class of administrative government officials that have the main power in their hands and that stand in opposition to all other classes." (2:581) In 1847 he repeated Marx's thesis that both the aristocracy and the bourgeoisie were too weak to rule. And he drew this conclusion: "The present situation in Germany is nothing but a compromise between the nobility and the petty bourgeoisie; it results in putting the administration in the hands of a third class: the bureaucracy." (4:44)

This view of the bureaucracy as a class can apply to historical developments in the Soviet Union. The October Revolution, the intervention, and the civil war exhausted the social classes of Russia; by 1921 the aristocrats had emigrated;

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the bourgeoisie was broken; the peasants were disorganized; and the proletarians were declassed. In his review Sweezy discusses the dispersal of the proletariat, and Lenin himself had admitted the fact. (*Collected Works*, 32:199) Each of these classes was too weak to rule the country. The bureaucracy (old Tsarist officials, demobilized Red Army men, Bolshevik party members) became the ruler of Russia. The bureaucracy grew larger and larger, increased its control of Soviet society, and gave itself ever new privileges. It became the ruling class.

The bureaucracy controls the means of production, directs investment into certain areas, decides the levels of accumulation and consumption, and divides the social product among the classes of society, giving itself the lion's share. Thus the bureaucracy in fact *owns the means of production*. They are the collective property of this ruling class.

Individuals cannot sell or rent the means of production, for the class owns factories, machines, and raw materials collectively. Nevertheless, Sweezy implies in his article, it passes this ownership on to its children by a tracking system: the child of a bureaucrat typically gets a better education than the child of a worker or peasant. Thus the children of bureaucrats grow up to qualify as members of the ruling class. Through the party and the state this class owns, controls, and directs the means of production, no matter what the law says.

I think Sweezy's analysis is supported by the Marxist classics. "Whenever a part of society has a monopoly of the means of production," wrote Marx, "the laborer, free or not free, must add to the working time necessary for his own maintenance an extra working time in order to produce the means of subsistence for the owners of the means of production, whether this owner be the Athenian aristocrat, Etruscan theocrat, Roman citizen, Norman baron, American slaveowner, Wallachian Boyard, modern landlord, or capitalist." (23:249-250) If Etruscan theocrats are a ruling class, so are Soviet bureaucrats.

Theocracies are scattered throughout history. Marx commented on the Egypt of the Pharaohs: "The necessity for predicting the rise and fall of the Nile created Egyptian astronomy, and with it the dominion of the priests, as directors

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of agriculture." (23:537) The priests collectively controlled production, and in this way became the dominant class.

Everyone knows that during the Middle Ages the landowning aristocracy was the ruling class. But it is often forgotten that the Church was the largest landowner. "Long before the time of Charlemagne, the Church had a full third of all the land in France; and it is certain that during the Middle Ages this proportion held generally for the whole of Catholic Western Europe." (Engels, 19:324) In some areas the Church owned half the land. This ruling class—the Church hierarchy —was one of the most powerful in history. "The fact that the Catholic Church in the Middle Ages formed its hierarchy out of the best brains in the land, regardless of their estate, birth, or fortune," wrote Marx, "was one of the main means of strengthening priestly rule and holding down the laity. The more a ruling class is able to co-opt the best minds of a ruled class, the more stable and dangerous becomes its rule." (25:614) Marx was aware that a ruling class could collectively own the means of production: that is how the Church hierarchy ruled. And he observed that this priestly ruling class recruited many members from the working class (just as the Soviet bureaucracy does today).

The socially stratified, bureaucratically planned societies of the Soviet bloc are class systems, and if we could raise Marx from the grave he would say so. Marxists have defined these planned societies in various ways: bureaucratic collectivism (Schachtman), totalitarian states (Hilferding), state socialism (Naville). Whatever the correct name for these societies, one feature is clear—the bureaucracy is a class.

Communists who develop this idea are following a direction indicated by the Marxist classics.

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Paul Sweezy Replies

I. My old friend Fred Schuman, to whom I am grateful for no small part of my education in my youth, makes two main points. First, he denies that the rulers of the Soviet Union can properly be called a class, or that there exists a mass of exploited citizens in that country. On the class question and its treatment by Marx and Engels, I do not think it is necessary to add anything here to what Ross Gandy has said in the third of the above comments. As to the existence of exploitation in the Soviet Union, it is not surprising that Fred Schuman, who is not and never claimed to be a Marxist, and I should differ. By "exploitation" he obviously means what most bourgeois social scientists mean, i.e., to be treated unfairly by the proclaimed norms of the society in question. Marxists, on the other hand, consider that people are exploited if they do not control, individually or collectively, their means of production, the work processes in which they engage, and the distribution of the goods and services which they produce. It is obvious that in this latter sense the great majority of Soviet citizens are exploited. What is even more important, it is obvious that for decades no efforts have been made to change this situation and that Soviet workers and peasants are prevented, if necessary by force, from organizing to change it. (I do not comment on Fred Schuman's easy dismissal of the existence of exploitation in *his* sense in the USSR beyond saying that I think in this case he is—quite uncharacteristically—wearing rose-tinted glasses.)

Fred Schuman's second main point is summed up in the sentence: "Given the universal (albeit normally unconscious) drives of human beings toward murder and suicide, power politics—possessed of a dynamism all its own—breeds hideous violence because, as Nietzsche pointed out long before Freud, war enables humans to commit murder and suicide with a good conscience." This contrasts sharply with what Marx said about Proudhon: "Herr Proudhon does not know that all history is but the continuous transformation of human nature." It is true that the kind of behavior Fred Schuman castigates has always existed in class societies, and we still live in a

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world of class societies. But it does not follow that humanity must forever resign itself to living in class societies; and indeed in a very real sense the essence of Marxism is that humanity cannot and must not do so. This means that Marxists are fully entitled to judge societies by the extent to which, in both their internal and external relations, they strive, really and not merely in words, for the elimination of classes; for that means to strive for a transformation of human nature unprecedented in the previous history of the world. The Bolshevik Revolution set out on this path six decades ago. That the USSR has finally and definitively abandoned it was proved to many, including Bettelheim and myself, by the 1968 invasion of Czechoslovakia.

II. What Ross Gandy says about classes and the views of Marx and Engels applies to Morris and Lewin, as well as to Fred Schuman. Only in this case the difference between my position and that of the authors is probably less deep since Morris and Lewin end up by saying that what they really object to is not that the ruling stratum in the USSR should be called a class, but that it should be called a *capitalist* class and the Soviet Union a *capitalist* society. Actually Bettelheim does not use the term "capitalist class," speaking instead of the Soviet "state bourgeoisie." I tried in my review to provide a sketch of the analysis—mostly missing from Bettelheim—which justifies calling this stratum a class. At the same time I thought I was quite careful to make clear that I couldn't accept Bettelheim's easy identification of the USSR as "capitalist," preferring in the present state of our knowledge to leave open the question of the precise nature of the exploitative class society which has developed in the USSR.

So, as I see it, the main questions between Morris/Lewin and me are the following: first, what they call "Marx's socialism" as compared to other forms of "post-capitalist collectivism"; and second, their idea that Marxism embodies a general theory (historical materialism) as well as a special theory (the theory of capitalist development), the latter being a special case of the former.

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As far as "Marx's socialism" is concerned, I would hope that we can agree that the most relevant and enlightening text is *The Critique of the Gotha Program*. And this makes perfectly clear that what Marx expected to follow the overthrow of capitalism was not what Morris/Lewin describe as "Marx's socialism" but rather a society which is "in every respect, economically, morally, and intellectually, still stamped with the birthmarks of the old society from whose womb it emerges." Marx referred to such a society as "the first stage of communism" and he contrasted it with a "higher phase of communist society." It is the latter which seems to be what Morris/Lewin have in mind with their "Marx's socialism" concept. In *State and Revolution* Lenin noted that what Marx termed the first stage of communism is "usually called socialism," but he continued the discussion using Marx's terminology and referring to the terminus of the transition from capitalism as "the higher phase of communist society." In later Marxist writings—including those of Lenin himself, if I am not mistaken—it became increasingly common to drop the lower/higher language and speak of capitalism as being replaced by socialism and socialism as a society of transition to communism. Adopting this usage, we can say that what Morris/Lewin call "Marx's socialism" is essentially what most Marxists call simply communism—a classless and stateless society from which what the Chinese call the three great differences have been eliminated (mental and manual labor, town and country, industry and agriculture).

That no such communist society exists in the world today is obvious, and that none will come into being within the lifetime of anyone now alive is almost certain. Does this mean that communism is merely an "idealized form of post-capitalist collectivism" or "just another form of utopian socialism," to use two expressions of Morris/Lewin? They are of course at liberty to think so, but I must register my own firmly held conviction that this position is at sharp variance with the mainstream of Marxist thought as represented and developed, in particular, by Marx, Engels, Lenin, and Mao. The mainstream view, if I may call it that, is that communism as the society toward which humanity is moving is not at all the

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product of philosophers or well-wishers of the human race. It is rather the product of the experience of the proletariat. Here I must quote at considerable length what I consider to be a crucially important passage from *The Holy Family,* one of Marx and Engels's early works which, in this respect at any rate, set forth with perfect clarity a position which became absolutely central to Marxism:

> When socialist writers ascribe this world-historical role to the proletariat, this is not at all . . . because they take the proletarians for gods. Quite the contrary. Because the abstraction of all humanity, even the appearance of humanity, is practically complete in the fully developed proletariat, because the living conditions of the proletariat represent the focal point of all inhuman conditions in contemporary society, because the human being is lost in the proletariat, but has won a theoretical consciousness of loss and is compelled by unavoidable and absolutely compulsory need (the practical expression of necessity) to revolt against this inhumanity—all these are the reasons why the proletariat can and must emancipate itself. However, it cannot emancipate itself without abolishing the conditions which give it life, and it cannot abolish these conditions without abolishing all those inhuman conditions of social life which are summed up in its own situation. . . . It is not a question of what this or that proletarian, or even the proletariat as a whole, may imagine for the moment to be the aim. It is a question of what the proletariat actually is and what it will be compelled to do historically as the result of this being. The aim and the historical action of the proletariat are laid down in advance, irrevocably and obviously, in its own situation in life and in the whole organization of contemporary bourgeois society. (Marx/Engels, *Werke,* vol. 2, p. 38)

I can imagine that at this point Morris/Lewin might object that in interpreting this passage as applying to the future of humanity as a whole, I am guilty of confusing Marx's general theory of historical materialism with his special theory of capitalist development. The proletariat in the above sense is a specific product of capitalist development, but, according to Morris/Lewin, a large part of humanity, apparently amounting to a huge majority, lives in non-capitalist societies (pre-capitalist non-capitalist or post-capitalist non-capitalist) and these must be analyzed by means of the general theory, not the special theory. So whatever fundamental tendencies may in-

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here in the "highly developed capitalist form" (which is "the subject of Marx's special theory of capitalist development") can certainly not be legitimately held to be applicable to the great majority of the human race which lives outside that form.

The trouble with this reasoning is not the distinction between Marx's general and special theories: obviously historical materialism applies to much more than capitalism which, after all, has existed as a mode of production standing on its own feet only during the last four centuries or so, i.e., a very small fraction of recorded history. Where Morris/Lewin go wrong is in completely misjudging the scope and significance of the Marxian theory of capitalist development in the world we live in today. What has to be understood, and what has apparently escaped Morris/Lewin altogether, is that, in its relatively short life history, capitalism has become overwhelmingly the dominant mode of production on a global scale. This does not mean that other modes of production have ceased to exist. They do exist, but either in subordination to or in struggle against capitalism, and in either case their mode of functioning and the future toward which they are moving cannot be understood independently of their interaction with capitalism.

The reason many Marxists have failed to grasp this crucially important point is that Marx himself, in the fully worked-out part of his theory of capitalist development, did indeed focus on the "highly developed capitalist form," and in the years after his and Engels's death it became the generally accepted view that this was substantially the whole of his theory of capitalism. A corollary, often implicitly assumed rather than explicitly stated, was that capitalism would get a foothold in other parts of the world and eventually they would experience the same kind of development the advanced countries had already been through. If this should happen, Marx's theories of the past and future of capitalism and what would succeed it could be assumed to have general validity.

This was of course not the way things worked out in the twentieth century. The reactions among Marxists were various and often confused, certainly not amenable to any simple or brief analysis. But at least two fairly marked tendencies can be identified. One, pioneered by Lenin, was to broaden the

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scope of the theory of capitalism to view it as a global system consisting of a core of advanced industrial countries surrounded by a vastly larger and more populous periphery made up of colonies, semi-colonies, and neo-colonies in varying states of dependence on each other and ultimately on the center. Once having adopted this perspective, one can readily (and fruitfully) find and learn from the numerous passages and contexts in Marx's own writings where precisely such a view of capitalism as a global system was adumbrated and often subjected to sharp, if unfortunately fragmentary, analysis.* In practice this new and broader perspective on capitalism and its world-historical role was not easily achieved or assimilated by Marxists; and it is only since the Second World War that a new generation of revolutionary intellectuals, mostly nurtured in the struggles of the Third World, has undertaken the necessary task of broadening and deepening Marxist theory to serve as an adequate guide to revolutionary practice in the second half of the twentieth century.

The second reaction to the realization that Marx's theory of capitalist development as expounded in *Capital* is incapable of explaining the course of world history in the twentieth century is exemplified by the argumentation of Morris/Lewin. The world is broken up into relatively autonomous parts, to only one of which (the highly developed capitalist countries) what the authors call Marx's special theory can be applied. The rest, composed in varying mixtures of non-capitalist modes of production (both pre-capitalist and post-capitalist), come under the general theory. How the general theory is being or should be utilized to elucidate the "laws of motion" of these non-capitalist societies is doubtless a subject to which different theorists would give different answers, and it would be unreasonable to expect Morris/Lewin to get into this in the few pages available to them. Nevertheless their general position seems to be stated clearly enough in the observation that "it is much easier to talk about applying Marx's general theory than to do it. This theory is still largely a project for future

* See, e.g., "Notes on the Centennial of *Das Kapital*," in Paul M. Sweezy, *Modern Capitalism and Other Essays* (Monthly Review Press 1972), esp. pp. 171-183.

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development. In particular, neither Marx, nor Engels, nor Lenin tested it out on one of the most profound problems of human history, that of the nature of the Asiatic mode of production. In the Soviet Union, this embarrassing problem, which strikes so close to home, has been officially abolished; it has become a non-problem." From this I infer two things: first, Morris/Lewin believe that in the present state of knowledge not much can be said about the mode of functioning, still less about the future destination, of the various non-capitalist societies around the world today; and second, they at least suspect that the theoretical model which can tell us most about Soviet society (also called Soviet post-capitalist collectivism) is the so-called Asiatic mode of production.

As against this far-reaching agnosticism, I submit the following propositions: (1) the whole world is dominated, positively or negatively, by capitalism; (2) we know an enormous amount about the functioning *and* the destination of capitalism; and (3) since the destination of capitalism is its overthrow and transcendence, this must also be the common destination of both its dependents and its enemies.

Obviously this is not the place to try to "prove" these propositions, and I must say that as far as the Soviet Union is concerned it seems to me, as a Marxist, that they are pretty much self-evident. Morris/Lewin's notion that the USSR today has anything to do with the Asiatic mode of production seems to me far-fetched in the extreme, and I would say the same with only slight qualification about pre-revolutionary Tsarist Russia. I am willing to concede that the old Russian empire embraced a variety of modes of production, perhaps including examples of the Asiatic mode. But I thought that Marxists—at least most Marxists, including Lenin and the Bolsheviks—were agreed that by the early twentieth century the dominant mode in Tsarist Russia was capitalism and that before the First World War this domination had reached the point where it was capitalism, and more specifically the accumulation of capital, which was controlling and shaping the development of the whole empire.* A proletariat of precisely

* Naturally this does not mean that core-periphery phenomena and contradictions were absent from the Russian empire any more than they were from the British or French empires.

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the kind described by Marx in the above quotation had come into being in the big cities of European Russia, and it was the revolutionary role of this proletariat which enabled the Bolsheviks to seize power in 1917. It is true, as Bettelheim rightly emphasizes, that this revolutionary proletariat was decimated and dispersed in the years of civil war after 1917, and this was a very important reason why the socialist transition faltered in the Soviet Union and a new class-exploitative society emerged. But Soviet industrialization, whether one considers it capitalist or not, reconstituted the proletariat on a vastly expanded scale, and it is a proletariat which in all essentials is like its unquestionably capitalist counterparts.* Furthermore there is absolutely no reason to assume that its true interests are any different or its revolutionary potential any less than theirs. Morris/Lewin may think differently, since they confidently state that "most people in the Soviet Union have been brainwashed to believe that their social system would collapse without the managerial direction of the CPUSSR inspired by the esoteric Marxist knowledge of the high priests of the Presidium." I don't know where they got this information from, but let us assume it is true. Are we also required to believe in the existence of a Marxist theory of the permanent brainwash?

It might be thought that a stronger case could be made out against the possibility (or likelihood) of a proletarian socialist revolution leading to communism in countries lacking a sizeable or well-developed proletariat (China, most of Africa, many other countries in the Third World). Not that they don't have vast masses of people for whom in Marx's words, "the abstraction of all humanity, even the appearance of humanity, is practically complete." Not, either, that these oppressed and impoverished masses are necessarily passively resigned to their fate. It is only that one of the clearest lessons

* This is not intended to imply that there are no differences, relating for example to social services, job security, etc. But there are also differences of this kind among capitalist proletariats, a fact which does not prevent us from treating them all as proletariats occupying essentially the same class position.

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of history is that slave rebellions and peasant uprisings by themselves have never been able to lay the basis for building a new society, and there is no reason to believe that their prospects are any more favorable today.

One thing, however, has changed, and history has already demonstrated that it makes all the difference. Capitalism gave birth to the proletariat, and the proletarian experience gave birth to Marxism, a totally new body of ideas for interpreting *and* changing the world. Thus, in spite of the fact that Marx and Engels were not proletarians, Marxism is quintessentially a proletarian creation: it would have been totally impossible and unthinkable before the industrial revolution spawned the modern proletariat. But once having come into being, Marxism is in no sense the exclusive property of the proletariat. Like science and knowledge generally, it has become a part of the heritage of the human race, and it can be appropriated for their own purposes by any individuals or groups or movements. This obviously does not mean that it will be appropriated in an indiscriminate way: it expresses the interests and serves the needs of the proletariat, and those whose interests and needs are antagonistic to the proletariat will not only reject it but will fight to the best of their ability to destroy it. But it can be, has been, and will continue to be appropriated by non-proletarians whose interests are the same as those of the proletariat and who find in Marxism the key to their own emancipation. This applies above all to what Fanon called the "wretched of the earth"—the masses of peasants, unemployed, slum-dwellers who make up the vast majority of the population of the Third World today. Increasingly their bitterness, anger, and frustration are being channeled into Marxist revolutionary movements which are spearheading the socialist transition to the communist world of the future. Nor is this a matter of speculation and guesswork. China and Indochina, North Korea and Albania, Mozambique and Angola, Guinea-Bissau and Southern Yemen—these are all living proofs that the great transformation of the twentieth century, initiated by the Russian Revolution of 1917, is in full swing and almost certainly has passed the point of no return.

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III. I commend Ross Gandy's comments to the attention of all Marxists, and I am grateful to him for so clearly demonstrating from the writings of Marx and Engels that the Marxian concept of class is in no sense a juridical concept. I would also like to register my agreement with another point he makes, namely, that the ruling class in the Soviet Union "might someday succeed in sanctioning by law its *de facto* ownership of the means of production, might legalize the new social relations." A genuinely Marxist study of Soviet jurisprudence would tell us whether in fact there already exist tendencies in this direction. If such a study exists, I would much appreciate being informed about it.

This book by Stalin [*Economic Problems of Socialism in the USSR*] has not a word on the superstructure from the beginning to the end. It never touches on man. We read of things but not man. Whether the supply system contributes to economic development should be discussed. Should there be commodity production or not? The viewpoint of Stalin's last letter is completely wrong. His basic error is his distrust of the people. . . .

I think the Soviets have disadvantages. They have not seen clearly the relationship between long-term and immediate interests; they have not achieved any remarkable development. They walk on one leg while we walk on two legs. They believe technology and cadres decide everything. They emphasize specialization but not redness, cadres but not the masses. All these show that they walk on one leg only. They haven't found the major contradiction in heavy industry. . . .

Chapter 1 discusses the administration of laws, but how this is to be done is not mentioned. We agree to commodity production, the law of value and other points, but there are also questionable points. Commodity production is not necessarily limited to means of consumption. The basic viewpoint in the third letter is distrust of peasants. Basically Stalin failed to chart the way from collective ownership to ownership by all the people. We retain the formula of commodity production and exchange. In regard to the law of value we want planning and politics in command, but the Soviets pay attention to production relationship only and ignore superstructure, politics, and the role of the people. Without a communist movement it is impossible to attain communism.

—Mao Tse-tung, "Critique of Stalin's Economic Problems of Socialism in the USSR," 1959(?) in *Miscellany of Mao Tse-tung Thought (1949-1968)*, Part 1, National Technical Information Service, U.S. Department of Commerce, 1974.

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INFLATION, UNEMPLOYMENT, AND MONOPOLY CAPITAL

By Howard Sherman

The United States is faced with a brand new economic phenomenon, inflation in the midst of recession. This new phenomenon has emerged only in the last few recessions, and is much more violent in this one. Previously, inflation occurred only in periods of rising demand. A little inflation was normal in each business expansion; a little deflation was normal in each business recession. That pattern held through the recession of 1948, but not since.

Periods of extreme inflation occurred in each of the wars involving the United States, such as the Civil War, the First and Second World Wars, the Korean War, and the Vietnam War. These are easily explicable because aggregate demand—mostly government demand for military goods—far exceeded supply in each war period. The simple Keynesian model expects expansion and inflation when demand exceeds supply, and recession and deflation when demand is less than supply. Obviously, a galloping inflation in the midst of a recession is impossible to explain on this simple Keynesian model or any simple aggregate model. Inflation cannot be caused by too much

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demand at the very same time that recession and heavy unemployment are caused by lack of demand. The fact that large-scale unemployment exists shows that there is a lack of aggregate demand. Therefore the inflation is of a new type, not caused by excessive aggregate demand.

Almost all economists agree that this new type of inflation may be called "cost-push" to distinguish it from the inflation caused by the pull of demand. There is no agreement, however, on what the words mean, or what the real problem is. When conservatives talk about cost-push inflation, they mean "wage-push," the notion that strong unions are able to push wages up in the face of falling demand; while businessmen are "forced" to raise their prices just enough to cover the rising wages.

Most radicals, on the contrary, think of cost-push inflation as "profit-push," the notion that increasing monopoly power allows business to raise prices even in the face of falling demand. These price increases are made regardless of wage changes, actually ahead of most wage increases, and often using the wage increases that do occur as excuses for much larger price increases.

What causes the recession? Most radicals believe that one major cause is the lack of purchasing power by the working class resulting from exploitation and limited wages. "The ultimate cause of all real crises always remains the poverty and restricted consumption of the masses." (Marx)

Raford Boddy and James Crotty, however, have written an otherwise excellent article for MONTHLY REVIEW (October 1974) in which they claim that higher wages in expansion periods squeeze profits and are the basic cause of recession. "The resultant decline in the profit rate is thus directly attributable to labor 'problems.'" Under labor "problems" they include higher wages and declining productivity.

Not only do Boddy and Crotty believe that high wages squeeze the profits of the capitalists to cause recessions, but the same high wages cause inflation. As "full employment is approached . . . prices show a faster rate of increase, but they fall behind the tempo of wages. Profit share falls accordingly. . . . Historically, the pressure to fight inflation has coincided

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with, and partially resulted from, a wage squeeze on profits." Their position that recession and inflation are caused by a "wage squeeze on profits" is, as they acknowledge, quite different from the position of many Marxists, including Kalecki, Steindl, and myself. This is a non-antagonistic debate among friends and comrades, but it is vital to clarify it and perhaps reach a new consensus.

The Profit Squeeze Has Two Sides

Crises *are* caused by a profit squeeze; lower present and expected profits mean less investment and less production by capitalists. The question is: Why are profits squeezed in each expansion?

Marx points out that making profits requires not one step, but two. First, the capitalist must extract surplus value from the workers by holding down wages; but, second, the capitalist must *sell* the goods that embody the surplus value. This second, quite different, problem is the Keynesian problem of insufficient demand, or—as Marx put it—the realization in the market of the surplus value created by the workers:

> The creation of . . . surplus value is the object of the direct process of production. . . . But this production of surplus value is but the first act of the capitalist process of production. . . . Now comes the second act of the process. The entire mass of commodities . . . must be sold. If this is not done, or only partly accomplished, . . . the laborer has been nonetheless exploited, but his exploitation does not realize as much for the capitalist. . . . The realization of surplus value . . . is not determined . . . by the absolute consuming power, but by the consuming power based on antagonistic conditions of distribution, which reduces the consumption of the great mass of the population to a variable minimum within more or less narrow limits. (*Capital,* Kerr ed., vol. 3, p. 286)

Profits, therefore, may be and are squeezed from two directions at the peak of expansion, by (1) rising costs of production and (2) limited demand.

There are two kinds of costs of production: wage costs of living labor and costs of previous labor congealed in plant, equipment, and raw materials. Boddy and Crotty correctly quote Marx to the effect that rising wage costs *might* conceivably lead to a crisis in periods of full employment and

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labor shortage. But Marx points out that such periods are quite exceptional under capitalism; he mentions only the case of a few years in the U.S. railway boom of the nineteenth century. Mostly Marx shows that capitalism keeps a large reserve army of unemployed to hold down wages. On this basis, he says that in most cases: "The falling tendency of the rate of profit is accompanied by a rising tendency of the rate of surplus value, that is, the rate of exploitation. Nothing is more absurd, for this reason, than to explain a fall in the rate of profit by a rise in the rate of wages, although there may be exceptional cases when this may apply." (vol. 3, p. 281) Boddy and Crotty themselves show that the level of unemployment remained quite high in the last few expansions, so these were not exceptional cases.

If rising wages were not the cause of the profit squeeze, what was? One side of the squeeze was the rising price of capital goods, including plant, equipment, and raw materials. Marx points out that costs of capital goods may rise above their long-run value for many reasons, such as bad harvests of industrial crops caused by nature. More important, in an analysis too often ignored by Marxists, he emphasized that the same cost rises *normally* occur as capitalists accelerate their demand in an expansion:

> The same phenomenon (and this as a rule precedes crises) can occur if the production of surplus capital [retained profits or financial capital] takes place at a very rapid rate, and its re-transformation into productive capital so increases the demand for all the elements of the latter that real production cannot keep pace, and consequently there is a rise in the prices of all the commodities which enter into the formation of capital. (*Theories of Surplus Value,* International Publishers ed., 1952, p. 371)

Marx goes on to show that the increases in the costs of raw materials are even greater than those of other capital goods, since the demand for them normally accelerates even further in the expansion. This pattern has continued in the twentieth century in each expansion, with capital goods costs rising faster than other prices, and raw materials prices rising still faster.*

* See, e.g., Frederick Mills, *Price Quality Interactions in Business Cycles* (National Bureau of Economic Research, 1946).

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Thus profit is squeezed from the cost side.

Of course, if the prices charged for commodities could rise as rapidly as their costs, capitalists would have no problem maintaining their profit margins. In fact, those capitalists who produce plant and equipment gain in the expansion from their own higher prices, but they eventually lose more by much higher raw materials prices. Those capitalists who produce raw materials will have a rising rate of profit at the expansion peak, but they are few in number, and a large part of U.S. raw materials are imported from abroad. Most capitalists use plant, equipment, and raw materials to produce consumer goods; but the prices of consumer goods are limited by the demand for them. A little of this demand comes from capitalists, but most consumer products must be sold to workers. Since the class structure of capitalism limits working-class income, so too does it limit their demand:

> The epochs in which capitalist production exerts all its forces are always periods of overproduction, because the forces of production can never be utilized beyond the point at which surplus value can be not only produced but also realized; but the sale of commodities, the realization of the commodity capital and hence also of surplus value, is limited not only by the consumption requirements of society in general, but by the consumption requirements of a society in which the great majority are poor and must always remain poor. (*Capital,* vol. 2, p. 363n.)

Thus capitalist profits are squeezed by *both* rising costs and limited demand.

Evidence on Labor's Share

In almost every expansion both consumer demand and workers' wages do rise. But consumer demand rises more slowly than national income or production. My argument is that this results from wages rising more slowly than profits, so the *share* of wages declines, and this limits consumer demand (because workers spend most of their income on consumer goods, while capitalists spend a much smaller proportion on consumption).

Let us look at the facts. With respect to the U.S. economy of the 1920s and 1930s, there is a classic study of cyclical behavior by Wesley Mitchell, based on data collected by Simon

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Kuznets.* In the average cyclical expansion of the 1920s and 1930s, Mitchell finds that aggregate wages (including salaries and other employee compensation) rose by 19.8 percent of the average level. In those same expansions, non-wage income (profits, rent, and interest—or total surplus value) rose 23.3 percent on the average. More striking is the fact that dividend payments rose 30.3 percent in the average expansion; while net corporate profits rose by 168.8 percent! Of course, in the average contraction these movements usually reversed themselves, with wages falling less than property income. Thus the wage share has usually fallen in expansions, but risen in contractions.

For the 1950s and 1960s, Boddy and Crotty present data which still illustrate the same pattern. This is despite the fact that their data use profit *after* taxes but wages *before* taxes, which may introduce some bias. Nevertheless, if we add together the phases into which they arbitrarily divide the whole expansion, we find this: in the three expansions of the 1950s and 1960s wages rise by 17.6, 18.1, and 18.0 percent respectively; while in the same three expansions profits rise by 17.4, 49.1, and 21.6 percent respectively. It is clear that for the entire average expansion, the profit share rises—which means that, in Marx's terminology, the rate of exploitation rises.

Boddy and Crotty's graph shows that the profit share is at its peak in each expansion and reaches its low point in each recession. Their graph also shows that the profit share starts to decline considerably before the business peak is reached. This merely reflects the profit squeeze explained above (rising costs and limited demand), which reduces the rate of profit while wages are still slowly rising just before the crisis.

The view that workers' rising wages are *not* the cause of the current crisis is strikingly confirmed in statistics on the most recent expansion and recession. Real weekly take-home pay of workers (that is, money pay corrected for price rises)

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* *What Happens During Business Cycles* (National Bureau of Economic Research, 1951).

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fell from $96.40 in 1972 to $95.08 in 1973 during the expansion! In the recession workers' pay has fallen still further to $90.35 in real terms in September 1974 (all figures from U.S. Department of Labor, Bureau of Labor Statistics). At the same time, profits have risen to a new record high in money terms, 1974 profits being 20 percent above the 1973 level. Even in real terms, profits *rose* by almost 8 percent in 1974 in this strangest of all recessions.

Profit-Push by Monopoly

Baran and Sweezy's *Monopoly Capital* showed the predominant role of monopoly and the capitalist state in the economy. Boddy and Crotty recognize this, but they maintain that the "key to understanding . . . is still to be found in Marx's theory of the dynamics of the cycle in competitive capitalism." They follow this view to an amazing degree, since they never again refer to the role of monopoly in the article. Certainly, Marx's theory of the cycle in competitive capitalism is still a good first approximation. The new conditions of monopoly capitalism, however, make it imperative that we add to and modify Marx's theory to get a better approximation to present reality—such as an inflation in the middle of a recession. Marx, after all, was the first major economist to explain and predict increasing economic concentration.

Concentration of capital is both high and rising in the United States. In manufacturing, where there are about a half million firms, with the 20 top firms owning 25 percent of all assets, the share of the top 200 firms in manufacturing rose from 41 percent in 1950 to 58 percent in 1962, and is still rising rapidly with conglomerate mergers. By 1969, in the whole economy, the 1,000 largest corporations held 55 percent of all corporate assets, which amounted to 1.25 *trillion* dollars.

The profit squeeze at the peak of expansion hurts small business long before the monopoly giants feel it at all.* Thus in the cyclical expansions in the period from 1947 through

* For full data and definitions and explanations, see Howard Sherman, *Profits in the United States* (Ithaca, N.Y.: Cornell University Press, 1968).

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1963, the profit margins of the "competitive industries" (defined as those below 50 percent concentration of sales by 8 firms) turned down 6.7 months before the expansion peak on the average. Yet the profit margins of the "monopoly industries" (defined as those over 50 percent concentration of sales by 8 firms) did not feel the squeeze for another 4 months, turning down on the average only 2.16 months before the expansion peak.

Similarly, the recessions hurt the more competitive firms much more than the monopolies. During the recessions of the period from 1947 to 1965, the average decline of profit margins in the competitive industries was 51.7 percent, whereas the decline for the monopoly industries was only 26.7 percent on the average. In fact, the decline of profit margins registered by the smallest corporations (under $250,000 assets) was an average of 82.7 percent, enough to bankrupt thousands of them.

Why do the profits of the small competitive firms fall so much further in every recession than the profits of the monopolies? There are many reasons, including the greater debt burden of the small firms and their consequent higher interest payments, as well as the fact that the small firms must work at capacity to minimize their costs whereas the giants can work efficiently at partial capacity. But the main reason is that competitive firms must lower their prices when market demand falls. Not so the monopolies; they can and do maintain or even raise their prices in the face of falling demand. Recently, for example, the auto companies raised their prices by an average of about $500 while their sales were falling. Similarly, the oil companies restricted domestic production in the face of rising demand in order to raise their prices. So competitive firms must follow the market, but monopolies set whatever prices and outputs will maximize their profits—and this may involve inflation in the midst of recession.

The data indicate that in almost all recessions and depressions up through the recession of 1948, prices *fell* in every economic contraction. In the recession of 1948, as in most previous ones, prices in the more competitive industries (under 50 percent concentration) fell considerably, in this case by 7.8 percent. But prices of the monopoly industries fell by much

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less, by only 1.9 percent in the 1948 recession. Since that time, the competitive prices have still fallen in each recession, *but monopoly prices have risen in each recession.* The following table shows that situation:*

Recession Year	*Competitive Prices*	*Monopoly Prices*
1953	—1.5%	+1.9%
1958	—0.3	+0.5
1969	—3.0	+5.9

The dividing line between competitive and monopoly industries was again taken as 50 percent sales by just 8 firms. This is, of course, an arbitrary line, leaving considerable monopoly power in industries below that line; so the data would be more revealing if we used finer divisions. For example, in the 1969 recessions, those industries below 25 percent concentration of sales had price declines of 6.1 percent, twice the decline registered for the average of all those below 50 percent.

Policy Conclusions

What does the fact that we have a profit-push inflation, in the midst of recession and unemployment caused by lack of demand, mean for economic policy? To the conservative Alan Greenspan, the President's Chief Economic Adviser, it means that almost nothing can be done; early in 1975 he said that the inflation would probably go away in three or four years and the recession might go away in six months or so. Other conservatives base themselves on the wage-push argument; their policy is to control wages and restrict the unions by government action.

Closely related is the position of Milton Friedman, who declares: "It is by now widely recognized that there is no way to end inflation without a temporary slowdown of economic growth and a temporary increase in unemployment." (*News-*

* All data are from my *Profits* book (*op. cit.*) and from a powerful article by John Blair, "Market Power and Inflation," *Journal of Economic Issues* (June 1974).

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week, September 2, 1974) Boddy and Crotty do an excellent job of showing that this is the usual position of big business, that business wishes to reduce wages by greater unemployment (though not by a major depression). In fact, *this is the solution of the Ford Administration.* Greenspan now says we *must* have 8 percent unemployment for two or three years to hold down inflation. Another one of Ford's advisers was asked on TV about the rising unemployment rate. He said, "This shows our policy for ending inflation is working." What an obscene policy—yet it follows from a wage-push viewpoint.

The liberals are mostly just plain confused, since the liberal Keynesian prescription has been to solve unemployment by more demand and to solve inflation by less demand. Thus Paul Samuelson in his *Economics* textbook (1973 edition) claims that liberal Keynesians have now solved all important problems, and that the Marxist claim that depression is solvable only by war spending in capitalism is no longer true. But Samuelson does admit that there is one little thing that the liberal Keynesians do not know how to deal with: "Experts do not yet know . . . an incomes policy that will permit us to have *simultaneously* . . . full employment *and* price stability." (p. 823)

The more unorthodox liberals, led by J. K. Galbraith, recognize that this is a cost-push inflation in a recession, so they urge (1) government spending to cure unemployment, and (2) wage-price controls to cure inflation. Much of the public supports this program. But radicals must point out that the result in the Nixon administration—wages effectively held down, but prices still rising—is the usual one to be expected in any capitalist operation of controls. It is a continual, losing fight to prevent wage-price controls from redistributing income to profits.

Controls on nothing but monopoly prices and profits would not be bad, but are politically unfeasible. Moreover, in the long run radicals must show that strict controls over a capitalist system are also economically unfeasible. The conservatives are correct that such controls, within a still greedy capitalist profit system, will eventually result in a huge bureaucracy, black markets, and growing inefficiency. A controlled

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capitalism produces the worst of two systems, capitalism and centralized bureaucratic planning.

Radicals must advocate not just controlling the monopolies but taking over the monopolies. If the people controlled the top 1,000 corporations, that would put about 60 percent of the whole economy in our hands. The public corporations' boards of directors could be appointed, half by a democratically elected Congress and half by the workers in the local enterprises. These boards could keep prices stable, employ everyone, and return the profits for public use.

WAGE-PUSH AND WORKING-CLASS POWER: A REPLY TO HOWARD SHERMAN

By Raford Boddy and James Crotty

In this note we (1) reaffirm and present additional evidence in support of the proposition that, in the absence of wage and price controls, it is higher wages and "labor problems"—not higher materials costs—that squeeze profits in the latter half of expansions; (2) contend that neither a wage-push nor a profit-push theory by itself is at all adequate as an explanation of the current crisis; and (3) suggest that it is a mistake for radicals to "absolve" the working class of "blame" for being, by virtue of its attempts to increase its standard of living, part of the contradictions of monopoly capitalism.

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"The Profit Squeeze Has Two Sides"

We certainly agree that the profit squeeze has both a supply and a demand role.[1]* As stressed in our MR article, government taxation, spending, and monetary policies are chosen in the light of their expected influence on the demand for output and thereby the demand for and bargaining power of workers. Clearly, the manifest inability of corporations to achieve complete pass-on of costs depends on the nature of demand conditions. In correspondence with the MR editors, we acknowledged our uncertainty as to the exact source of the capitalists' demand problems. We wrote: "There is a problem with import competition . . . there is increased debt, perhaps consumer spending is held back by 'traditional buying habits.' . . . This whole area requires further investigation."

Sherman asserts that a relative shift of income away from workers in expansion reduces their consumption demand, while there is no compensatory increase in capitalist consumption demand. But he presents no specific evidence for this alleged cyclical fall in potential consumption.

We can obtain a rough assessment of the impact of income shifts on demand by looking at cyclical changes in the sources of personal income. As the primary sources of the noncapitalist classes' incomes we take *wages and salaries plus transfer payments, minus personal contributions for social insurance.* For the capitalists we take *dividends plus personal interest income plus rental income of persons.* Proprietary income is treated separately. Although some individual proprietors receive extremely large property income, income per proprietor is, on the average, approximately equal to the average annual wage payment. Wages and salaries, of course, also contain very high administrative payments to well-off capitalists, but the share of such salaries over the period we consider did not increase so as to materially distort the category as a measure of the growth in workers' incomes. Similarly, the property payments include disbursements to some individuals who hardly qualify as capitalists. But the source itself is from capital ownership, so the

* Notes will be found at the end of the article.

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payments should be included as a test of the alleged cyclical income shifts.

All of the above income categories are gross of personal taxes. Whether the relative movements of after-tax incomes would differ materially is a question for which we do not have a firm answer. At any rate, the impact of taxes must be considered as explicit policy, not the working of the unfettered cycle.

Looking at the 1965-1969 period, the one example of a second half of an expansion that can be assessed on the basis of easily available annual data, what do we find? For 1965-1969, the non-capitalist income category increased 41 percent (from $385 billion to $549 billion).[2] The capitalist income category increased 36 percent (from $78 billion to $106 billion). Proprietors' income increased only 17 percent. Dividends increased only 23 percent. Partly because of the tax laws, dividends display much greater stability than after-tax profits. In fact after-tax corporate profits fell from $46.5 billion to $44.8 billion in 1965-1969.

Obviously, the above data provide only rough measures of the shifts over the cycle in the income streams relevant to the potential consumption demand hypothesis of Sherman. Nevertheless, they provide grounds for some skepticism as to the importance of the alleged shift of income away from workers as the demand aspect of the profit squeeze.

In the absence of any clear evidence of an income shift toward capital, it appears appropriate to look directly at movements in real disposable income, i.e., personal disposable income adjusted for price changes. For the years 1966-1969, the average annual rate of change, as measured 4th Quarter to 4th Quarter, were 3.6 percent, 3.8 percent, 4.2 percent, and 2.7 percent respectively. In 1965, consumption expenditures were 91.5 percent of disposable personal income. In 1969, they were 91.3 percent. It is not evident that the demand aspect of the profit squeeze is that set forth by Sherman.

In attempting to separate cost and demand influences, it is critical to distinguish between indices of non-capitalist class income as a demand determinant and measures of labor costs to the capitalists. On the cost side, we clearly want to look at

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total labor compensation *inclusive* of "employer contributions," taxes, and fringe benefits. We attribute the profit squeeze of the second part of the expansion to rising wage rates and declining rates of labor productivity growth. Sherman disagrees. In a recent book he writes that

> just before the peak of prosperity is reached, the rate of profit in consumer goods is being squeezed because all the elements of cost (except wages) are rising more rapidly than revenues. . . . Wages do rise in the usual expansion, but . . . much more slowly than revenues (because wages tend to remain at the given standard of living, and because demand for labor is relatively lessened by substitution of machinery). This lag in wage costs, rather than lowering the profit rate, is a factor in maintaining the profit margin in the face of other rising costs. Thus, the rate of profit on capital falls *in spite of* the declining wage share (or rising rate of exploitation in Marx's term).[3]

The data for the economy as a whole, and for the manufacturing sector, make it absolutely clear that "just before the peak of prosperity" unit labor costs are rising much faster than output prices. Sherman focuses on the consumption goods industry and argues that profits there are being squeezed by materials costs "in spite of" declining wage costs.[4] Unfortunately, he has provided no evidence whatsoever to support this key hypothesis. A direct test of his hypothesis would require quarterly data on the wage bill, the materials bill, and the value of gross shipments in the consumption goods industry. To our knowledge such data are not readily available.

Given that Sherman has provided no data, what we have done is to turn, in Table 1 (see p. 39), to indirect tests based on the relative price movements of raw or crude materials, intermediate products, wage rates, and unit labor costs, compared with a price index of final goods. Having no way to separate crude or intermediate materials used to produce consumption goods from those used in the production of investment goods, we use the composite index on the assumption that this entails no obvious bias. The index of wholesale prices of finished goods also contains both consumption and investment goods, but their price movements over the cycle seem to be similar. For example, the index for finished consumer goods rose at an average annual rate of 0.5 percent between mid-1961 and mid-1965,

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TABLE I

Price Indices by Stage of Processing, Wage Rates, and Unit Labor Costs (annual rates of change)

As seen in three business cycle expansions during which there were no wage and price controls. The data are shown separately for two phases of each expansion:

A—From the trough to the mid-point of the expansion

B—From the mid-point to the peak of the expansion

Three Expansions	*Wage*[1] *Rate*	*Unit Labor*[1] *Costs*	*Wholesale Price of Crude Materials*	*Wholesale Price of Intermediate Materials, Supplies and Components*	*Wholesale Price of Finished Goods*
A. Sept. 1954-March 1956	4.6%	2.3%	–2.4%	3.3%	1.2%
B. March 1956-Sept. 1957	6.8	4.1	2.5	2.4	3.8
A. June 1958-June 1959	4.9	–4.1	–2.6	1.9	–0.2
B. June 1959-June 1960	4.5	4.7	–2.9	–0.1	0.5
A. March 1961-Sept. 1965	3.9	–1.4	0.6	0.4	0.4
B.[2] 1965 (average)–1969 (average)	6.5	4.2	2.3	2.3	2.8

Source: Various issues of *Business Statistics,* U.S. Dept. of Commerce, and as noted below.

(1) For quarters of NBER reference cycle. See MONTHLY REVIEW, October 1974, p. 7, for details.

(2) Monthly data on identical basis unavailable for last half of 1961-1969 cycle.

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and at 2.6 percent for 1966 through 1969 inclusive. Table 1 shows the combined index rising 0.4 percent and 2.8 percent respectively for approximately the same periods. We believe that in the absence of data for the consumption goods sector alone, these data provide a reasonable test of the competing hypotheses.

Examining Table 1, we simply do not find any evidence that the profit squeeze on the cost side comes from the costs of materials and supplies. In the first phase of the expansion, it is true, the price of intermediate supplies rises faster than the price of finished goods. But this is the period in which profits are increasing dramatically. In the crucial second phase of each expansion, wholesale prices of finished goods increase more rapidly than the price index of *either* crude materials or of intermediate goods. Only in the presence of an extreme increase in materials inefficiency (i.e., in materials per unit of output) would the materials cost lead to a significant profit squeeze.

Where then *is* the source of the profit squeeze on the cost side? Based on a comparison of unit labor costs and the price of finished goods, we reaffirm our position that *labor costs squeeze profits.* In each of the expansions presented, unit labor costs rise more rapidly than the price of finished goods in the second phase, while they typically lag behind finished-goods prices in the first phase. And, since labor costs, unlike materials costs, are presented on a per-unit basis, there can be no question that labor costs squeeze profits in the finished goods industry.

"Evidence on Labor's Share"

Sherman objects to our "arbitrarily dividing the whole expansion" into two parts. We feel that there is nothing arbitrary about separating phases which behave in totally opposite ways with respect to the variables under consideration. Adding both parts of the expansion together, Sherman notes that in all the post-war expansions, as in earlier expansions, profit share rises. This certainly is correct, for if profits didn't rise for the expansion as a whole, we would hardly expect capitalists to expand production. In fact, in another paper on this subject we wrote: "If you divide the cycle into only two parts, the slump and the expansion, the data are as summarized by

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Sherman."[5] But it is the latter half of the expansion, in which unit labor costs rise faster than output prices, that encourages the capitalists to give us the recession.

There is ample documentation that the wage share of income, which is relatively high in recessions, declines in the first phase of post-Second World War expansions, but then rises throughout the second phase.[6] Clearly, this behavior cannot be captured by a single category called "the expansion." It seems to us that an analysis of the dynamics of the modern cycle demands that the expansion be subdivided into distinctive components. The aggregation of opposing tendencies can only confuse attempts at analysis.

"Profit-Push by Monopoly"

Sherman proposes a profit-push explanation of the current inflation and recession based on the increasing monopolization of American industry. We are skeptical that the virulence of inflation and the seriousness of this crisis relative to previous post-Second World War recessions can be explained solely or even largely on the basis of increased monopoly power. The increasing market power of the largest corporations may help explain the prolonged co-existence of inflation and recession but does not help explain either the rate of inflation or the rate of change of inflation.[7] A wage-push theory by itself will not do the job either.

We would look for the origins of the current crisis in the dynamic relationship between the disproportionalities arising from the prolonged expansion of 1961 through 1969, and the declining international political-economic hegemony of the United States. The combination of these two developments led to a crisis in international financial institutions, U.S. devaluations, wage-price controls, the synchronization of cycles across capitalist countries, and contributed to food and oil price inflation.[8] The wage squeeze on profits of the latter part of the expansion of the 1960s has certainly had an influence on the developments of recent years. It was, for example, one of the primary reasons for the institution of wage-price controls. Indeed, we find it curious that Sherman does not even mention controls when referring to the real wage decline of 1973.[9]

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Sherman's monopoly profit-push thesis has the virtue of focusing attention on the right villain—monopoly capital. But we believe that it implicitly makes a false case for absolving the working class of any "blame" for contributing to, or being part of, the contradictions of this system. It portrays the class, along with small business, as helpless victim, unable even in "good" times to struggle successfully for material gain. Our view is that in the tightening labor markets of the latter phase of expansions workers are indeed part of the problem facing the capitalist class. Their struggles for increased living standards and against speed-up are successful enough in the short run that they must be countered by the capitalist class and its state. Recession is the traditional response.

It is surely incorrect to argue that wage struggles alone can accomplish gains of lasting significance. It is just as incorrect to deny that they have any degree of success or are not a problem for the capitalist class and a threat to it. Indeed, were this the reality, it is not clear why workers should struggle at all. The working class and its allies have to engage in and encourage economic struggles at the workplace at the same time that they attempt to move these struggles to the higher level of contesting for state power.

NOTES

1. We note here in passing that the Marx quote we used from volume 1 of *Capital* concerning the relation between wages and the reserve army seems to be inconsistent with the volume 3 quotes used by Sherman, particularly that from vol. 3, p. 281. This apparent inconsistency arises, we believe, because Marx was discussing related but distinct aspects of capitalist dynamics in these two places. For a useful discussion of this distinction, see Paul Sweezy, *The Theory of Capitalist Development,* pp. 154-155. Sweezy characterizes Marx's writings on the relation between consumption and crises as "fragmentary and somewhat enigmatic." (p. 161)
2. The data are taken from *Economic Report of the President, 1974.*
3. Howard Sherman, *Radical Political Economy* (New York: Basic Books, 1972), pp. 89-90.
4. As Sherman recognizes, a materials-costs squeeze in the absence of a wage squeeze implies that capitalists producing raw materials will experience rising profits. But, he argues, "they are few in number, and a large part of raw materials are imported from abroad." We are not sure what the "number" of capitalists has to do with it. Either their profits are important or they are not. And it is not clear to us that "a large part of raw materials"—by dollar volume—are imported.

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5. Raford Boddy and James Crotty, "Class Conflict and Macropolicy: The Political Business Cycle," *Review of Radical Political Economics,* vol. 7, no. 1.
6. See, for example, Frank Ackerman and Arthur MacEwan, "Inflation, Recession and Crisis; Or, Would You Buy a New Car from This Man?" *Review of Radical Political Economics,* vol. 4, no. 4, p. 28; *Economic Report of the President, 1974,* p. 73; Michael Evans, *Macroeconomic Activity* (New York: Harper and Row, 1969), p. 289.
7. See John Blair, "Market Power and Inflation," *Journal of Economic Issues* (June 1974), footnote 12, for a similar argument.
8. For a fuller presentation of this argument, see James Crotty and Raford Boddy, "Who Will Plan the Planned Economy?" *The Progressive* (February 1975), pp. 15-19.
9. Sherman cites declining real weekly take-home pay in 1973, at the end of the latest expansion, as proof that "rising wages are *not* the cause of the current crisis." We certainly agree that they could not have been an immediate cause of this recession. But if we take 1973 to be the second phase of the expansion of late 1971 to late 1973, it is easy to see how wage and price controls distorted the typical wage-price-profit dynamics. While the wholesale price of finished goods (excluding food) rose 15.6 percent in calendar 1973, and the wholesale price of crude and intermediate materials (excluding food) rose 14.1 percent, unit labor costs in the private sector rose by only 6.5 percent. This was clearly different from the pattern set in earlier expansions. See the *Economic Report of the President, 1974,* p. 89, for a discussion of these data.

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BOOKS

THE REVOLUTIONARY PROCESS IN GUINEA-BISSAU

By Cheryl Payer

Guinea-Bissau: A Study of Political Mobilization, by Lars Rudebeck. Uppsala: The Scandinavian Institute of African Studies, 1974.

Guinea-Bissau is one of the new micro-states of the Third World, with a population estimated at 800,000, or less than 0.1 percent of that of China. Yet it was this tiny, poor territory, more than Angola and Mozambique—the larger and richer components of the Portuguese empire—which initiated resistance to the colonizers and, in resisting, set off the chain of events which culminated in revolution in Portugal and the commitment to decolonization.

For this reason it is not really accurate to speak of Portugal's "granting" independence to Guinea-Bissau. Neither did PAIGC, the Guinean liberation movement, carry the liberation process to completion, for it never challenged Portuguese control of the cities. It is more precise to say that the revolutionary Portuguese government acknowledged PAIGC's right to control *de jure* the territory which it already for the most part governed in fact.

Lars Rudebeck has written a sympathetic but independent description and assessment of the revolutionary process in Guinea-Bissau, based on careful study of the documents and ideology of the PAIGC and the privilege of two visits to the liberated terri-

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Cheryl Payer is the author of MR Press book *The Debt Trap.* She is working with the Pacific Studies Center collective.

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tories in 1970 and 1972, before the coming of independence. His account is independent, not because he makes any pretense of objectivity in weighing PAIGC versus Portuguese claims to govern the country, but because he made systematic efforts to check the official PAIGC claims about what was happening against the evidence he was himself able to gather on his visits. From his report, the reader is given the impression that discrepancies between ideals and reality are infrequent and attributable not to hypocrisy but to the fact that major social changes are not accomplished in an instant.

The ideology of PAIGC is chiefly the thought of Amilcar Cabral, its founder-leader who was assassinated in January 1973. Cabral, one of the truly original revolutionary thinkers, made a fresh and undogmatic but clearly Marxist-inspired analysis of the social structure of his country, which was undoubtedly essential to his movement's success. Rudebeck attributes Cabral's murder (by former associates, instigated by the Portuguese) to some tendencies in the PAIGC leadership to overcentralization, which alienated local units. If this was in fact the case, however, one would expect such alienation to have more serious consequences than one murder, particularly as the sequel to the assassination showed that the PAIGC was more than a one-man movement and, although it faltered briefly, did not collapse with the removal of its great man. More plausible is the tension described between Guinea and the Cape Verde islands (the "C" in PAIGC). The islands were under the same Portuguese administration and thus claimed by PAIGC as belonging to their domain; but while the islands have provided a large share of the top PAIGC leadership, the movement never took hold there at the grass roots.

Rudebeck examines in detail the party, government, military, and judicial organizations; the economy; health and medical care; and the educational system. The territory's economy is a very simple one and the PAIGC made two basic innovations: first, they encouraged farmers to refuse to grow peanuts, the export crop forced upon them by the Portuguese, and to grow rice instead for the provision of the people and soldiers of the territory. Second, they instituted a network of People's Stores where no Portuguese money was accepted and farmers instead exchanged their rice surpluses (which then went to provision the army and government cadres) for simple consumer goods such as cloth, most of which were donated by sympathetic governments (Eastern Europe and Sweden).

Schools and hospitals in the PAIGC territories were simple,

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mobile, and camouflaged from Portuguese attack. More sophisticated hospital facilities and advanced schools were located in the neighboring Republic of Guinea, which also housed the secretariat of the party in its capital, Conakry. Education beyond that provided in Conakry was obtained abroad, mainly in Eastern Europe on scholarships. The cooking, cleaning, and maintenance of schools and hospitals were done by the regular medical personnel or the teachers and students themselves. An innovation in medical care was the establishment of health brigades, similar in principle to the Chinese "barefoot doctors" in bringing basic local care to the villages.

Rudebeck concludes his mainly descriptive book with a chapter in which he draws some theoretical conclusions both for Marxism and for political science, through the concept of "mobilization." He suggests that mobilization, political and social, is a concept which Marxists would do well to appropriate from the political scientists, and that the latter would have a more dynamic and fruitful concept if they would incorporate some revolutionary perspective into their unsatisfactory definitions of mobilization. Whether one is interested in this section or not, the book is a valuable source for anyone who is concerned about the revolutionary process in the Third World. As the author is aware, a sequel will soon be necessary about whether this small new state can resist neocolonialism, having proved its mettle against old-fashioned colonialism.

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By Frederick F. Clairmonte

The Scalpel, the Sword: The Story of Dr. Norman Bethune by Ted Allan and Sydney Gordon. Revised edition, New York: Monthly Review Press, 1973, 320 pp., $3.95.

The critic is always wary of the mendacious claims of publishers' blurbs, but in this case these claims have been buttressed by time. "This book has sold more than a million copies since its first publication in 1952. It has appeared in nineteen languages, including Serbian, Hebrew, and Chinese, and is still coming out in new editions on three continents." I happened to be one of those buyers, in the autumn of 1955, and had just finished my stint in Hanoi with the International Commission for Supervision and Control in Indochina. I was on the point of leaving for China. I had picked up my battered second-hand edition (if it could be called that) at one of the popular book stalls near the Hotel Metropole. A Vietminh cadre had asked me if I knew about Bethune, and when I remarked that I had, as a boy, he went on to tell me of the mark that this book had left on him as well as on dozens of his companions in arms. He had read it several times (as well as *Red Star Over China*), and he said that in the Indochina struggle there were dozens of Bethunes in the medical services—almost all Indochinese. This was not uttered with any chauvinist intent, but was rather indicative of the sheer charisma of Bethune's internationalism that had transcended the confines of China.

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It wasn't such a long time ago that, when the movement of the "barefoot doctors" (naturally within quotation marks) was launched in China, it was avalanched with derision by the mafia of certain professional medical associations in the United States. And this in the "richest" (whatever that means) country in the world, where "at least 5 percent of the patients in major American hospitals suffer severe malnutrition as a result of their hospital stays,"* and where medical services to the people are, I suspect, of a lower human quality than those in China. The contempt for one of the boldest socio-medical innovations of all times had been incubated by the Cultural Revolution. And it is at this point that the book helps us to understand the heroism and the vision not only of a splendid human being, but of tens of millions in China who winnowed the terrain for Bethune. The interval between the setting up of the first Model Hospital of the Eighth Route Army by Bethune and the barefoot doctors has followed a straight but tortuous upward path. Our authors coyly confess, though never explain, that in the quarter of a century that has since elapsed "divergent views on a number of questions between the authors themselves" have arisen. Whatever these may be, such divergences have not impaired the readability of a powerfully paced narrative.

Bethune lived approximately 49 years. He was born in Gravenhurst, Ontario, in 1890 and died of septicemia, contracted while operating without gloves in a fighting sector about 10 minutes distant from the advancing Japanese army in the mountains of Hopei. He had become a legend in his own time, although in his own country a parsimonious recognition was to come belatedly, as with Canada's other national heroes, such as Papineau and Louis Riel. The funeral oration of Mao Tse-tung was no mere rhetorical flourish:

> We mourn more than the passing of a man. Dr. Bethune's devotion to the common people is a lesson for all. The manner in which we commemorate his death indicates how deep an imprint his personality has made on us. All of us should emulate his unselfish spirit. It should become a starting point for us to become useful to the people. An individual may have great or little ability, but with such a spirit he can become a man of importance, of

* The indictment is by Dr. George Blackburne of the Harvard Medical School in the *International Herald Tribune* (January 28, 1975).

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integrity, of virtue, who forsakes self-interest for the interest of the people.

To the opulent medical profession such forms of revolutionary virtue are utterly alien and must perforce be regarded as sentimental slush. The social force that incubated a Bethune was the slaughter of the First World War (in which he was wounded), the Great Depression he had witnessed in Montreal, and the slender volume by Dr. John Alexander on the operative management of pulmonary tuberculosis (*The Surgery of Pulmonary Tuberculosis*). Bethune himself was to be the victim of this disease, to which he nearly succumbed in the mid-twenties. To his ability as a pioneer in the field of thoracic surgery was later to be added his defense of the unemployed of Montreal, where the city bosses unceremoniously promoted their repressive measures. "I'm Dr. Norman Bethune. Any man, woman, or child you send to me will receive medical treatment free of charge. By next week I hope to have another ten doctors doing the same. . . ." These manifestations of social activism were contributory to the rupture of his bourgeois marriage and his ostracism by medical circles.

The thirties were years of massive economic contraction and of fascism and repression on a global scale. His service at the front had given him first-hand experience in the handling of blood transfusion techniques, and his political radicalization which had preceded his departure for Spain moved apace after his arrival. Addressing a mass rally in Montreal, he declared:

To the Spanish people, and to anyone who has seen Spain for himself, the position is clear. So clear, in fact, that Franco and his fascist backers urgently need a diversion to conceal their aggression, just as the Tory bleaters of "nonintervention" need a fig-leaf to dress up the naked shanks of their miserable policy. They have found one, to their mutual relief. It is nothing more than the bastard child of the Austrian paperhanger and the Italian turncoat. It is the menace of communism.

With the crumbling of Madrid it was apparent that the Republic would not be long in following suit. Bethune departed for China on January 2, 1938, and less than two years later, on November 13, 1939, he was dead. Although it was true that he had come to China as a revolutionary, it was there that he attained, in the words of Chu Teh, the highest standards of revolutionary virtue. Such standards, of course, were molded by the forces of which he was a part, as glimpsed in his first diary entry for Yenan:

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Although Yenan is one of the oldest towns in all China, it strikes me immediately as one of the best-run. In Hankow I found confusion, indecision, depressing signs of bureaucracy and inefficiency. In Yenan there is a sense of confidence and purpose in administrative circles. In the towns and cities I passed through on my way here I became accustomed to the sights of semi-feudalism —filthy dwellings, polluted streets, people in rags. Here, among the ancient structures, the streets are clean, teeming with people who seem to know where they're going. There is no sewage system, but there is obviously an organized disposal of sewage. . . . In contrast to the rest of China, the Special Region administration is developing an overall program dovetailing social reform with organization of the Region's capacities to make war against the Japanese.

In his first interview with Mao, he had assured him that it would be possible to save at least 75 percent of victims of abdominal perforations if they were operated on immediately. At Chin-Cha-Chi in northern China Bethune's work had now begun. In his first report from the village of Hu Chia Chuan, he chronicled:

There are 175 wounded here, scattered among the houses. This is what is meant by a "hospital" here. It would break your heart to see them—lying on the brick *kang*s with only a little straw beneath them. Some have no coverlets—none have blankets. This country is so cold at night that we fortunate ones in the Unit are glad to have our feather-filled sleeping bags to sleep in.

The wounded are crawling with lice. They all have one uniform, and that they have on. It is filthy with the accumulated dirt of nine months' fighting. Their bandages have been washed so often they are now nothing but dirty rags. Three men, one with the loss of both feet through frost-bite and gangrene, have no clothes at all to wear. There is only a coverlet for them. Their food is boiled millet—that's all. All are anemic and underfed. Most of them are slowly dying of sepsis and starvation. Many have tuberculosis.

It seemed that the awareness of being in Japanese-occupied territory added a new dimension to his life. "I am in the center of the war. Now I can truly taste the strange, exalted flavor of this stupendous struggle." Such exaltation was at least tempered by the realization that it was a hospital of a special kind: with no anesthetics, with homemade thread for sewing up wounds; pills of local manufacture and dubious utility; probes were made of wire, and for tweezers and pincers pieces of iron were used; to cap it all, there were no training facilities for medical personnel of any kind.

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In addition to the problems of scarcities there were, on the part of the peasantry, cultural problems related to blood transfusion. They were simply apprehensive, and it was here that Bethune came to grips, more so than in Spain, with complex forms of traditional realities:

And what we don't understand, we fear. They and I and all men. More than anything else, it is understanding and knowledge that defeat fear. When they saw how I drew my own blood, with no ill effects to myself, there was no longer anything mysterious, anything unknown, *anything to fear*. Then they saw the connection and they were ashamed. And my rage at them had as little basis as their fear of giving blood. Was it Mao Tse-tung who said to the writers and intellectuals of China: "You can teach the people only when you become their pupil." How profoundly it fits.

The comportment of Bethune as well as his turbulent temperament were seen in the story of the illiterate buffalo-tender turned "surgeon" who operated with a bucksaw. This story is typical of the rich material from which the tapestry of the book has been woven. The story of Fong the "surgeon" was descriptive of the Chinese Revolution as a whole. And just as a drop of water gives us a clue to the chemical composition of the sea so the personal trajectory of a Fong gives us a description of the unfolding of the Chinese Revolution before 1949 and after. Notwithstanding his excruciating labors, Norman Bethune found time to ruminate on the wider aspects of life, which impinged directly on his own:

What do these enemies of the human race look like? Do they wear on their foreheads a sign so that they may be told, shunned and condemned as criminals? No. On the contrary, they are the respectable ones. They are honored. They call themselves, and are called, gentlemen. They are the pillars of the state, of the church, of society. They support private and public charity out of the excess of their wealth. In their private lives they are kind and considerate. But . . . threaten a reduction on the profit of their money and they become ruthless as savages, brutal as madmen, remorseless as executioners. There can be no permanent peace in the world while they live. Such an organization of human society as permits them to exist must be abolished. *These men make the wounds.*

Given the conditions under which he worked, his death from septicemia seemed inevitable, and he was aware of it. Bethune not merely gave, he received from the people, and in turn was educated by them. He had an uncommon grasp of the forces that

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were tearing the vitals of contemporary society. How yawning the contrast with American soldiery in wartime Chungking! Listen to White and Jacoby in *Thunder Out of China* (1946).

> The average GI in China knew little about the struggle in the stratosphere of Army policy and cared less. . . . All Chinese were "slopeheaded bastards," shortened in general conversation to the simple term "slopy." . . . The one abiding sentiment that almost all American enlisted personnel and most of the officers shared was contempt and dislike for China. They saw the squalor, filth, and ignorance of the Chinese peasant and peasant soldiers; the sight inspired them not with compassion or pity but with loathing and revulsion. . . .

With American lawmakers now scrambling in the queue in unprecedented numbers for visas to China, that state of mind has changed or is changing rapidly, but it should never be forgotten that the makers of this change are the formerly despised and disease-ridden women and men of China—mainly its peasantry working within the framework of socialist goals. It is these human agents that have not only remade China but also reshaped the modes of perceptions and activities of millions outside China, not least in the underdeveloped world. Where is all the mumbo-jumbo of modernization "theory" now?

This poignant, unsophisticated, compassionate, and graceful work should be read not only by our politicians and members of the medical coterie but by parents. Indeed, it would be difficult for me to conceive of a more exquisite present to a youngster than this volume. Where, incidentally, are the diaries of Bethune? Why haven't they been published? It seems a shame that this book is stripped bare of all maps and photographs. But what matters is that it has been re-issued and that its message of hope has not been blurred in the mist of time.

Sow seed—but let no tyrant reap;
Find wealth—let no impostor heap;
Weave robes—let not the idle wear;
Forge arms—in your defense to bear.

—Percy Bysshe Shelley

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CORRESPONDENCE

COMMENTS ON THE SUMMER CHINA ISSUE

I. By William Hinton

Paul Sweezy's piece, "China: Contrasts with Capitalism," in your special summer issue says some really fundamental things about socialist transformation. I agree that China is a long way from having created hundreds of millions of new socialist men and women, but I would add something to what is said about the dynamics of the popular participation there. The new social relations are not something fixed and given, which the Communist Party and the conscious part of the working class repeatedly reinforce with movements such as the Great Leap, etc. The social relations, productive relations, and class relations from which they spring are in a constant process of transformation (the rate, of course, is not constant but wave-like). And it is participation in this transformation that gives hundreds of millions the enthusiasm and morale which everyone notes. Disregard for profits, for immediate personal interest, etc., occurs in the context of participation in a vast social movement against the "three differences," so that what one has, in effect, is a continuing series of "war communism" situations. In a period of national liberation

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war or revolutionary war, the overriding issues are so clear that people are willing to commit themselves to major national goals without very much personal calculation—what's in it for me?—because they see that unless the battle is won there is not going to be anything for anybody. Well, something of that same spirit exists in regard to the "three differences" as long as the process of transformation continues. The vast majority of the Chinese people are on the lower end of the differences: city-country: they are country; worker-peasant: they are peasant; mental-manual: they are manual. As far as they are concerned, the revolution is not over. They are willing to give extraordinary commitment to continuing revolution, but every time a leading group arises that says, "The revolution is over, let's get on with production," then the whole quality of the situation changes. If the revolution is over and I am still on the bottom, and you want production, then I am going to ask what's in it for me. How much pay? How many hours? What fringe benefits? In other words, material incentive *must* then take the center of the stage. But if it is clear that the revolution is not over, if real plans and policies are forthcoming to further transform productive relations and social relations, then the people on the bottom (the vast majority) will jump in and push, will work for the revolution rather than for pork chops, just as they work for victory in time of war instead of just for wages.

That's the real secret, I think, of the extraordinary behavior of hundreds of millions of Chinese. The transformation of productive and social relations is Mao's policy and it is continuous (though wave-like). People can really see and grasp it—for instance, the constant accumulation of productive property at the brigade and, more importantly, the commune level, rather than at team or personal level, so that rural people may actually move toward, and see that they are moving toward, "property of the whole people" and that it is liberating, that this is a key basic step toward doing away with both the city-country difference and the worker-peasant difference. Again, in industry, the constant struggle for real proletarian control and policy in every productive unit against the "fortified villages" of the capitalist roaders, and the constant struggle to break down the mental-manual difference by requiring cadres to participate in productive labor, and by creating three-in-one teams for scientific and technical innovation; the constant transformation of the real social relations in every productive unit so that they are not just formally "socialist" but truly socialist.

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I write this because I felt that in Sweezy's presentation there was a certain static element—"new social relations exist, they are reinforced by these movements," rather than "new social relations exist, they are constantly reinforced and transformed further by these movements." It is participation in this transformation that makes the whole attitude of the vast majority of Chinese different. With each great wave of social movement, concrete tangible changes are made both in the base and the superstructure, so that even though the process is protracted—generations is no exaggeration—something is happening right now in your life and mine that can win our commitment and our enthusiasm. The stage of transformation is a long one, but the transformation occurs step by step throughout the stage so that in fact there is a continuous series of smaller stages. In the countryside, for example:

Mutual aid team → Lower co-op → Higher co-op → Commune

Property mainly held at team level → Team accounting
Property mainly held at brigade level → Brigade accounting
Property mainly held at commune level → Commune accounting
Property held by the whole people → State accounting

The common thread that runs through all the revisionist lines is: "The revolution is over, let's get on with production, . . . The principal contradiction is between advanced social relations and backward productive forces"; hence the major task is to "develop the productive forces." Of course, advanced social relations depend, in the long run, on advanced productive forces, but the relation between the two is dialectical and intricate, not a mechanical "productive forces first, productive relations second" equation. That's why Mao stresses politics in command as against Liu Shao-chi who stressed technique only in command; and the reason why only "politics in command" works is because the revolution is not over, and probably will never be over.

Have You Joined
The Associates
Yet?

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II. By David A. Sprintzen

MR does it again. The July-August 1975 special issue on "China's Economic Strategy" is a gem. In brilliantly bold and clear strokes Sweezy, Magdoff, and Gurley lay out the basic structure of Maoist theory and practice in the area of social construction. I found to be of particular value: (1) Sweezy's presentation of the Maoist rejection of "bottom-line" economic thinking; (2) Magdoff's delineation of the systematic opposition between Maoist and Soviet development strategies, as well as his suggestions as to the relation of these strategies to the exigencies of divergent geographic, climatic, and demographic factors; and (3) Gurley's brilliantly suggestive clarification of (a) the central role played by Mao's original theoretical statements on contradictions in the development of his strategy and tactics; (b) the crucial location of Mao's "new democratic" thinking in this process; and (c) the specifically anti-Confucian nature of his analysis of the peasant movement in Hunan as early as 1927.

There are, however, three critical observations which I wish to offer for your and your readers' further reflection. They all deal with traces of a tendency which often seems endemic in Marxist thinking—and which your review has done so much to combat—namely, the tendency to fall into overly schematized, dogmatic, non-empirical modes of thought.

(1) Sweezy makes reference to "traditional proletarian values" (p. 7), which he suggests (p. 9) are behind the Chinese proletariat's struggle to prevent the emergence of a new bureaucratic ruling class. It would, I think, be more correct to have spoken of "idealized" proletarian values in view of the way the processes of mystification operate within societies subject to class conflicts, as Marcuse, for one, has so well shown. To fail to appreciate the nature and scope of such mystifications—even, and perhaps especially, within a society undergoing revolutionary transformations—tends to lead to a mythologizing of THE PROLETARIAT which can only confuse critical analysis and deflect in advance

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the search for a viable Marxist praxis. For example, an understanding of the complex and conflicting twists and turns of the Great Proletarian Cultural Revolution (GPCR) cannot be achieved unless one frees oneself from any mythologizing of the actual consciousness of the Chinese proletariat.

(2) It seems to me that Gurley is also guilty of this dogmatizing tendency on a few occasions. To be specific:

(a) I am referring to his analysis of Mao's ideas on the "correct methods of work" (pp. 95 ff) where Gurley fails to appreciate adequately the significance of Mao's "mass line." He writes as if the cadre's job in implementing central directives is simply to explain them to the workers in such a manner as to achieve their enthusiastic approval. But Mao's notion of "democratic centralism" has a more constructive meaning as far as the "democratic" side is concerned. Gurley suggests as much later (p. 110) when he specifies the meaning of the mass line with the Maoist phrase "*from* the masses, to the masses," and calls it, in Gurley's own words, "a method of involving the masses in policy *formation*. . . ." (Italics added.) This is no minor matter. Although Mao seems genuinely conflicted over the proper balance to draw between democracy and centralism, as Stuart Schram has well stated, and as is attested by the shifting history of intra-party struggles and rectification campaigns, including the GPCR, his version of "democratic centralism" fundamentally refuses to make any mechanical separation between the processes of deliberation and those of execution. For such a separation inevitably leads to an authoritarian and bureaucratic "style of work." Instead, Mao has increasingly attacked commandism and bureaucracy, and called for respect for the initiative of the masses, for their critical and creative input on a regular, and often a daily, basis. This is central to Mao's "mass line." Such is the meaning in part of such slogans as "criticism–self-criticism," and "from the masses, to the masses," as it is behind the recently revised Chinese Constitution's recognition of new rights for the people, including the right to strike, to which Sweezy refers.

(b) Gurley's mechanical presentation of the temporal sequence involved in social change (p. 110) threatens to obscure the essentially holistic dialectic at stake—which the major thrust of Gurley's presentation does so much to establish. It is true that Gurley does note that this outline is too schematic; but he does not seem to appreciate the fuller significance of this observation. He fails to make adequately clear the *crucial* Maoist insight (cf.

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"On Practice" and "On Contradiction" for the theoretical roots of the position) into the essential unity of all of these "stages"—political, economic, and cultural—at each and every moment of the revolutionary struggle and of social construction. While it is clear that at different "moments" in the development of a contradiction, different "aspects" become the "principal" ones, as Gurley has well shown elsewhere in the article, the political, economic, and cultural "stages" must be integrated at every moment in accord with the demands of an integral and total strategy. For example, as Mao is quoted earlier as saying (p. 60) there can be no successful guerrilla army seeking *political* power which does not fully mobilize the masses through *simultaneous* economic and cultural strategies.

These critical observations are offered in the spirit of fraternal cooperation. Their aim is to combat any vestiges of dogmatic or mechanical modes of thought, which have done so much damage to American Marxism in the past—impeding its development of a viable revolutionary strategy. With deep appreciation to your review for its continued high level of Marxist scholarship, of which this special issue on China is an excellent example.

Paul Sweezy Replies: I am very grateful for Bill Hinton's elaboration on one of the main themes of my article. His point that any serious interruption in the revolutionary process changes the whole basis of mass participation seems to me to be one of enormous importance, the full implications of which remain to be worked out.

I accept David Sprintzen's criticism of my use of the expression "traditional proletarian values." My meaning would have been more accurately conveyed if I had said "what are traditionally regarded as proletarian values." But I cannot agree that what is at issue is "idealized" proletarian values, a formulation which would seem to suggest that they are not real but share the same quality as the "Christian virtues" which are supposed to be, but as experience shows rarely are, inculcated by the teachings of the Church. History records innumerable very real manifestations of the values in question—solidarity, service to others, self-sacrifice—in all kinds of proletarian struggles from simple strikes to complicated revolutions. Naturally these are not the values which proletarians live by in their everyday lives under capitalism—they couldn't and still survive—and many are permanently corrupted by capitalism. But these facts should not be allowed to obscure the *reality* of proletarian values or their potential to be-

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come the *dominant* values in a transformed society in the process of eliminating exploitation and inequality. To speak in this connection of "idealization" and "mythologizing" seems to me to fall into typical bourgeois modes of thought, which obviously is the opposite of Sprintzen's intention.

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FROM JOSHUA HORN

The following is the text, omitting a couple of items of business, of Joshua Horn's last letter to Harry Braverman, Director of Monthly Review Press. Dr. Horn's book *Away With All Pests,* published by MR Press, is a record of the author's 15 years in People's China as a traumatologist and surgeon. He died in Peking in December.—The Editors

Capital Hospital
Peking
People's Republic of China
October 28, 1975

Dear Harry,

Warmest congratulations on your splendid book *Labor and Monopoly Capital.* It clearly embodies a vast amount of research and study and it fills a long-felt need in Marxist literature.

Revolutionaries everywhere are indebted to you.

It has the sane combination of erudition and readability, and even the footnotes are properly spaced out. Of course, it leaves many questions unanswered—such as the effect of the relative decline in the proportion of the productive section of the proletariat on the profitability of capitalist industry. Almost my only criticism is the dreadful photograph of you standing beside a semi-decapitated Marx, on the back cover.

I hear you have been ill, Harry. I hope you are now on the mend. As for me, I've been incarcerated in the hospital for nearly 11 months and, notwithstanding the splendid treatment, I yearn for liberation and to return to England. I had a second coronary infarct during the fourth week of what was to have been a two-month visit, and it nearly put paid to me. But I'm slowly improving, and I'll be home one day. Then I plan to write another book.

China is a most exciting place just now—even from a hospital bed. A series of tremendous movements are unfolding which will have a profound effect on China's future (and the world's). There is mass study of bourgeois right and the need to strengthen the

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dictatorship of the proletariat. There is a self-critical review of shortcomings and achievements on the cultural front; the revolution in education is just getting under way; and the eleven-year period of "learning from Tachai" has culminated in a conference which, if implemented, will not only permanently solve China's food problem but, more important, create a vast army of truly Communist men and women in the Chinese countryside.

All the best, Harry, and many thanks for your great achievement.

Joshua Horn

MORE ON ATTICA

I was glad to see my "Attica Now" in the January MR but since, through a series of accidents, its appearance had been delayed three months I must ask your indulgence to update it. I'll omit non-essentials and be as brief as possible.

Last April's revelations by Bell (Prosecutor Simonetti's former chief assistant) and Liman (Counsel for the McKay Commission), with which my article concluded, forced Governor Carey to appoint an investigator. He chose Judge Bernard S. Meyer.

Meyer's report was kept secret for many months; the Governor finally released almost a third of it in December. This admits virtually all the damning facts of which the prosecution was accused and concludes: "Clearly the State has dealt unfairly with the inmates and affirmative action is necessary to correct the situation." But Meyer then refuses to consider the only possible affirmative action—dismissal of all pending indictments and full amnesty for any indictees already convicted.

Instead he recommends continuation of the prosecution under the totally discredited Deputy Attorney-General Simonetti, whom he himself blames for "serious errors of judgment," "poor priorities," "an imbalance in the prosecution," and "indifference" to

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tortures inflicted on inmates. The only change he suggests is the appointment of a super-prosecutor, Scotti, to oversee and review Simonetti's prosecution!

The *New York Times* categorically condemned this farce in an editorial on December 29, 1975, which was headed: "ENOUGH INVESTIGATIONS. . . . CLEAN THE SLATE," and which concluded with a demand for total amnesty immediately.

Tom Wicker in his column of December 30th sharply criticized the self-contradictory and disingenuous nature of the attempted whitewash. McKay and Liman said in a press release on January 14, 1976: "The . . . only appropriate 'affirmative action' would be to undo existing indictments and examine present convictions for an opportunity to exercise mercy."

Though this falls seriously short of the necessary demand for *total* amnesty, to include the two Attica defendants convicted on perjured government testimony in a kangaroo court last winter, it points in the right direction and a second *Times* editorial on January 15 emphasizes this, reiterating the demand to "close the book on Attica."

At this juncture a flood of personal letters demanding total and immediate amnesty for every Attica indictee, past or present, might well persuade the Governor to end this disgraceful abuse of state power now.

We would be glad to send copies of the *Times* editorials and our documented summary *Attica 1971-1975* to any MR reader. Please address The Charter Group, Box 346, Cathedral Station, New York City, N.Y. 10025.

Annette T. Rubinstein

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(*Continued from inside front cover*)

will come when America will join people all over the world in honoring one of its noblest sons.

In this space in the November MR we asked readers around the country to let us know the date of receipt of that issue so that we could get some idea of the pattern of delivery times in different regions. Among replies received, the following will be of general interest to readers: "Not being sure as to date received of November issue of MR, I can only tell date received of December issue which was January 9. As a postal employee I can tell you that there is a great deal of discontent about the recent 'Taylorization' of work at the labor level. And reactions such as slowdowns should be expected. Although I would not discount political interference from above." One of the ironical paradoxes of capitalism is that efficiency drives do not always produce efficiency.

We recently received the following communication: "We are enclosing copies of the first two issues of *Mwito Wa Haki Za WaKenya* (Swahili for Call for Justice to the Kenyan People). We thought—we are sure with justification—that you would be interested in the developing pre-revolutionary situation in Kenya, especially as the publishers of Barnett and Njama's *Mau Mau from Within*. The Kenyan situation has reached a dramatic state in which the bourgeois forces of oppression, imperialism, and neo-colonialism, led by Jomo Kenyatta, have become more murderous and suppressive of human rights than ever (see the London *Sunday Times*, August 10, 17, 24, 1975). The contradictions between the Kenyan workers, peasants, and progressive intellectuals vis-à-vis the murderous and traitorous ruling class cannot be solved short of a socialist revolution. We have therefore decided to begin, here [in the United States] and in Kenya by raising the consciousness of our people, to this end beginning with the struggle for democratic rights. We need all the moral support we can get, especially from our fellow socialists. For obvious reasons we cannot disclose any names—at least at this time." This is another sign of the quickening of the revolutionary struggle in Africa, the most important development in which is of course the rapid advance and consolidation of the position of the MPLA in Angola. The two copies of *Mwito Wa Haki Za WaKenya* (in English) referred to contain much of interest. We will be glad to pass them along to anyone sending us a self-addressed envelope with 26¢-worth of stamps.

The New England Free Press which in the past has reprinted and distributed many MR articles has produced what appears to be a very useful handbook for movement groups entitled *How to Do Leaflets, Newsletters and Newspapers*, written, designed, and illustrated by Nancy Brigham at the Boston Community School, 107 South Street, Boston, Ma. 02111. To order copies, contact the Free Press, 60 Union Square, Somerville, Ma. 02143 (the price of single copies is $1.25).

Following what is happening in Portugal is very difficult in this country, where the press seems to have lost all interest now that the social democrats and conservatives are seemingly safely back in power. The appearance of a new newsletter entitled APOIO (which means "support" in Portuguese and is also the English acronym for American Portuguese Overseas Information Organization) is therefore to be welcomed. As usual with such worthy enterprises, support in the form of subscriptions ($10) and contributions is urgently needed. APOIO's address is 206 Fifth Ave., New York, N.Y. 10010.

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new from Monthly Review Press

COLUMBUS: His Enterprise
by Hans Koning

Most of us have been taught to think of Christopher Columbus as a single-minded, courageous visionary whose navigational skill led him to the discovery of the Americas. In this biography, written for people of all ages, Hans Koning sets the record straight and presents a picture of the earliest beginnings of European imperialism. He describes how Columbus's consuming drive to become master of the Western hemisphere shaped his life, beginning the story with his childhood in Genoa and ending after his return from his fourth and final voyage, an old man in disgrace.

Columbus's enterprise, ostensibly aimed at the conversion of the "heathens" and the discovery of a shorter route to the Indies, was first and foremost a commercial venture. His contract with the Spanish monarchs, Ferdinand and Isabella, gave him 10 percent of the spoils of his voyage, Admiralty of the Western Ocean, and governorship of all newly discovered lands. As Koning amply demonstrates, slavery and gold, rather than brotherhood and conversion, were the aims of these legendary explorations.

Based on a reexamination of traditional sources, Koning shows how this search for wealth and profit began the ravaging of the Americas by the white conquerors: "During the first two years of the administration of the brothers Columbus, an estimated one-half of the entire population of Hispaniola (Haiti) was killed or killed themselves. . . . In 1515, there were not more than ten thousand Indians left alive; twenty-five years later, the entire nation had vanished." This testimony, drawn from the eyewitness account of a Dominican priest, is part of the more accurate portrait of Columbus and his cohorts neglected by establishment historians.

IMPORTANT: Teachers of college introductory and survey courses in American history and related subjects will find this book of great value in their classes.

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